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# South and East Asia Report

No. 920



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PESTICIDE PROJECT FOR ASEAN FOUND VIABLE

Manila BULLETIN TODAY in English 21 Aug 80 p 12

Text

The establishment of an Asean pesticide manufacturing plant is viable considering the vast market potentials offered by the Asean pesticide market. This was highlighted by the pre-feasibility study conducted by the Philippines through the fertilizer and pesticide authority for the Asean committee on industry, minerals and energy (COIME) and the committee on food, agriculture and forestry (COFAF).

FPA Administrator Miguel M. Zosa, COFAF chairman, disclosed that the study showed a gradual but marked shift out of finished product importation into local production of pesticides in the Asean region.

Except for Malaysia and the Philippines which undertakes minimal production to meet their annual requirements, all the Asean countries depend on imports from multinational companies for their supply which stood at US\$59 million in 1979.

Zosa said that the study was conducted in the light of Asean's industrial complementation scheme. The study provided an initial gauge pointing to its economic and financial viability, he added. Considering the impacts of this study to the agricultural economies of Asean, Zosa opined that a full blown economic feasibility study of this project should be initiated.

The project envisages the establishment of a pesticide technical manufacturing plant which will be the first to rise in Asean. It would initiate regional exploitation of raw materials and drastically reduce Asean's dependence on imported, oil-based active ingredients.

The demand for pesticides in the Asean region increased by an average annual rate of 32 per cent from a level of 142,761 metric tons valued at \$205-million in 1977 to 234,000 MT worth \$340 million in 1979. Approximately 60 per cent of

total apparent demand come from local formulation of pesticides.

Of the member nations, Thailand exhibited the highest demand, which is partially met by increased local production of formulations. In the Philippines and Malaysia average growth is 28 and 27 per cent respectively, while production growth has been registered at 33 to 37 per cent. In the case of Indonesia imports of finished products have decreased at a rate of two per cent annually.

While production have shot up at a rate of 50 per cent.

The bulk of demand came from insecticide and herbicide requirements. As an interesting sidelight, Malaysia is shown as the heaviest importer of finished products, specifically herbicides, amounting to 68 percent of total ASEAN imports. In contrast, the Philippines, Thailand and Indonesia source their requirements more on local formulation, basically for insecticides.

CSO: 4220

INTER-ASIAN AFFAIRS

BRIEFS

CHINA, INDIA MAY EXCHANGE FILMS--New Delhi, Aug 19--A Sino-Indian exchange of feature films is in the offing if the current efforts on both sides materialises. The Chinese embassy here has been requested to make available suitable films while India's Central Board of Film Censors has been asked to suggest suitable films to be sent to China. The Chinese people viewed the first Indian film in several years when Hindi film 'Swami' was screened by the Indian embassy in Peking as part of the republic day celebrations this year.--UNI /Text/ /Lahore THE PAKISTAN TIMES in English 20 Aug 80 p 1/

PAKISTAN BUYS DPRK MACHINERY--Government has informed the traders that some funds are available for immediate utilisation in accordance with the provision of import policy order, 1980 for the import of machinery tools and workshop equipments under Pak-North Korea barter dated Sept 10, 1979. Intending importers of these items have been advised to submit their applications at licensing counters through their nominated banks latest by August 4. In case the applications are of unduly excessive amount of if the total value applied for exceeds the available funds, the Chief Controller of Imports and Exports will determine the basis of licensing as considered appropriate.--PPI /Text/ /Karachi BUSINESS RECORDER in English 5 Aug 80 p 1/

CSO: 4220

BANGLADESH

EIGHT LEADERS CALL FOR PARTIES TO UNIFY

Joint Statement Issued

Dacca THE BANGLADESH TIMES in English 20 Jun 80 p 12

[Text] Eight political leaders on Thursday in a joint statement called upon all progressive political parties, groups and individuals to unite within a single political organisation.

The leaders who issued statement were: Hazi Md. Danesh and Mr Sirajul Hossain Khan Jatiya Gano Mukti Union (JAGMP), Mr Abdul Matin, Mr Sardindu Dastidar and Cipu Biswan of Gano Front and Mr Abdul Mannan Bhuyian, Mr Sahamsuddin and Mr Alamgir Majunder, former leaders of United Peoples Party.

The leaders said that a national democratic political party, opposed to social imperialism, imperialism feudalism and bourgeoisie-comprador capital was vitally needed at the moment of extreme economic and political crisis of the country.

They observed that the independence and territorial integrity of the country was at stake due to the policy of "compromise and appeasement" of the government towards the forces of "hegemonism, social imperialism and Indian expansionism." Occupation of island within Bangladesh territorial limits, reduction in the flow of Ganges, construction of groyons on border rivers including the Bomoti and Khusiara, establishment of BSF camps at tamabil of Sylhet are threats to the independence and sovereignty of the country," they held. [as published]

The leader said that 9-party alliance led by the Awami-BKSALites were active again to retrieve the state power. Side by side, communal and extreme reactionary elements were trying to raise their heads again they said.

### Students Welcome Move

Dacca THE BANGLADESH TIMES in English 21 Jun 80 p 12

[Text] Mr Akhtar Hussain, President, Bangla Chhatra Union and Mr Ataur Rahman Dhali General Secretary Jatiya Chhatra Dal have welcomed the move taken by eight political leaders to form a united leftist party.

In a joint statement to the Press on Friday: the student leaders extended their full support to the move.

### Jubo Oikka

Mr Fatahul Alm and Mr Jahiruddin Babul; President and General Secretary of Gono tantrik Jugo Oikkya, in a joint statement to the press on Friday also welcomed the move.

### Sramik Federation

Mr Emadur Raushan, Acting General Secretary and Mr Abdur Razzak Raja, a member of the central committee of Bangla Sramik Federation have expressed their solidarity with the move to form a united left party.

In a joint statement to the press the labour leaders urged the progressive elements to rally round a united platform.

CSO: 4220

BANGLADESH

PLANS FOR PETROLEUM INSTITUTE DISCLOSED

Dacca THE BANGLADESH TIMES in English 21 Jun 80 p 8

[Text] The United Nations Development Programme (UNDP) will extend financial assistance of US dollar 1,051,000 to the government for the establishment of a petroleum institute in Bangladesh, said a Press release on Friday.

A semi-autonomous body, the institute will start functioning within two-year under the Ministry of Petroleum and Mineral Resources. The institute is to be fully staffed by national professionals with the capacity and operational ability to (a) provide upgrading and refreshers courses for both professionals and technicians in petroleum related activities (b) provide necessary support for field activities in hydrocarbon exploration development and production and carry out relevant applied research and (c) serve as an information and data centre for petroleum sector in Bangladesh and as central link in the transfer of technology through improved institutional linkages with foreign institutes and professionals. The press release said that the UNDP would provide both technical and organisational support with a view to strengthening the professional, administrative and managerial aspects in exploration of Bangladesh's hydrocarbon potential and assist in carrying out relevant operational research while eliminating dependence on outside organisation as far as possible.

A significant aspect of UNDP assistance to the petroleum institute will be special arrangement with foreign organisation for the execution of the project involving with several institutes abroad concerned with petroleum development. [as published] Also it will provide for a number of experts who would work with the government on a short term basis as well as for longer periods both for training as well as an advisory group on policy matter.

CSO: 4220

BRIEFS

PRESS UNION OFFICERS--Messrs Mozammel Huq and Abdur Rahim Sarker were reelected President and General Secretary respectively of the BANGLADESH TIMES PRESS Samik Union for 1980-81 at its annual election held on Friday. The officebearers are Messrs A. Kayyum Mia, Vice-President, Mohammad Enamul Huq, Joint Secretary, Kobbat Ali, Treasurer, Abdul Halim Khan, Nur Islam and Anil Kumar Sarker, members. (Text) (Dacca THE BANGLADESH TIMES in English 21 Jun 80 p 8)

CSO: 4220

GANDHI TELLS OF DELAYS IN ATOMIC ENERGY PROJECTS

Madras THE HINDU in English 27 Jun 80 p 7

[Text] New Delhi, June 26

The Prime Minister Mrs Indira Gandhi told the Rajya Sabha that various projects under the Department of Atomic Energy were being delayed between two to seven years for many reasons.

These were due to delay in finalisation of foreign collaboration and arrival of the imported components lack of trained personnel and slow progress in the erection of buildings and towers.

The research reactor of the Bhabha Atomic Research Center scheduled to be completed by 1979, was held up because of widespread inflation, rise in labour cost and a 350 percent increase in the cost of heavy water.

The waste immobilisation plant at Tarapur, scheduled for completion this year would now be completed in 1982 in view of the steep rise in the cost of raw material, customs duty on imported equipment and lack of skilled technicians.

The fast breeder test reactor scheduled for 1976 would be completed in 1982 due to delay in the collaboration agreement with foreign consultants. The radio-metallurgy laboratory was also delayed by two years and would be completed only next year.

The heavy projects at Kota and Talcher had been behind schedule by five and six years respectively because of delay in foreign collaboration agreement, disturbed labour conditions and replacement and reordering of major items. They would be completed next year.

Mrs Gandhi said the ball-bearing tubes plant of the nuclear fuel complex and Rajasthan atomic power station, part two, would be completed this year.

The first unit of the Madras atomic power project had been held up by seven years and would be completed only next year due to design changes and technical problems. The second unit would be ready in 1983.

The Safir atomic power project would be completed by 1984-85 instead of 1981-82 because of delay in the manufacture of some critical nuclear equipment, design modifications and improvements not originally contemplated.

She said the Department of Space had no satellite project designated as SLV-4.

In a written reply, she said the current projects were: SLV-3 which was a four stage satellite launcher, and its next experimental launch was likely to take place next month; Bhaskara satellites which were earth observation satellites; Of these Bhaskara-I was in orbit now and Bhaskara-II was under development; "Apple" which was an experimental geostationary communications satellite;--Insaat-I which was a multipurpose operational satellite system being built abroad.--UNI.

CSO: 5100

INDONESIA TO BUILD 400-TON PATROL VESSELS

Jakarta KOMPAS in Indonesian 16 Jun 80 p 8

[Article: "Minister B.J. Habibie Says Indonesia Will Build Warships"]

[Text] In the future Surabaya will be Indonesia's shipbuilding technological center, because P.T. PAL Indonesia and the Surabaya Technological Institute are located there, while Bandung, in which P.T. Nurtanio and the Bandung Technological Institute are located, will be the aerospace technological center.

Speaking to newsmen on Friday, 13 June, at P.T. PAL Indonesia in Surabaya, Prof Dr B. J. Habibie, research and technology minister, explained that the transfer of shipbuilding technology cannot be accomplished solely by repairing foreign-made ships. Therefore, the construction of large tonnage ships must immediately be undertaken by Indonesians in Indonesia.

In the near future P.T. PAL Indonesia, a shipbuilding company in Surabaya which Habibie said "was the biggest in Indonesia," is being prepared to build patrol warships of 400 deadweight tons in cooperation with the German Loerssen Shipbuilding Company.

Meanwhile a cooperation agreement has been signed with a shipbuilding company in Belgium to build 12 of 24 Customs Service patrol ships. These 12 ships are being ordered from Belgium. "The construction of these ships will be financed by the sale of our oil overseas. Therefore, to have a share of the work in Indonesia, the other 12 ships will be built domestically," Habibie said.

It is also planned that P.T. PAL Indonesia will construct a 1,700-dwt coaster jointly with Kroegen of Germany. In addition a 2,000-dwt sailing ship will be built as an experiment. It is planned that the sailing ship will be used to carry basic materials for steel production.

The goal of this experiment, Habibie said, is to introduce an inexpensive and efficient interisland ship. "The cost of fuel is rising, therefore, the ships must be helped along with sails," he said.

PAL Indonesia is being readied to build five 3,500-dwt tankers for Pertamina while a 17,000-dwt and a 20,000-dwt tanker, which Pertamina needs also, are still being considered.

Recently PAL Indonesia has become an extension of the Navy Yard. A year and a half ago its status was changed to a state-owned general corporation. A half month ago, because of considerations of greater shipbuilding technology development in Indonesia, it was converted to a state-owned stock corporation.

According to the general director of P.T. PAL Indonesia, Commander Soekono, an investment of 90 billion rupiah, based on a 1979 estimate, will be required for the coming 10 years.

Meanwhile, it is estimated that a 37 billion rupiah investment is needed in this first year (1980-81). This investment will be used to replace outdated equipment and to purchase high quality steel which must still be imported.

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CSO: 4213

**FORMER HEIHO MEMBERS ASK JAPANESE GOVERNMENT FOR AID**

Jakarta KOMPAS in Indonesian 17 Jun 80 p 12

[Article: "Former Heiho Members Will Ask Japanese Government for Aid"]

[Excerpts] Former Indonesian Heiho members will appeal to the Japanese Government for an appropriate and amicable settlement of their status through legal administrative and military procedures in effect while they were active Heiho members and at the present time. Toward this end, in the weeks ahead, the central and branch leadership of the "Foundation for the Prosperity of the 1942-45 Indonesian Great Heiho Family Association" (YKPKBHI) will be calling on the Japanese Embassy in Jakarta. On Monday [16 June] S. Prayitno, chairman of the foundation, said one of the decisions taken at the foundation's first National Work Conference, held last Saturday and Sunday [14 and 15 June] in Jakarta, was to send such a delegation to the embassy.

Prayitno said they will ask the Japanese Government to offer assistance to Heiho members who voluntarily aided the Japanese soldiers to oppose the Allies between 1942 and 1945, and, at a minimum, that the Japanese Government pay the balance due Heiho members on their wages. During the Japanese regime in Indonesia, Heiho members were paid only a third of their wages. It was promised that half of the remainder due them would be paid to their families and the other half would be deposited in the Bank of Japan. Apparently nothing of the remaining two-thirds of their wages has ever been received to date.

Several weeks ago, according to Prayitno, the YKPKBHI wrote a letter to Emperor Hirohito and called on the Japanese ambassador to Jakarta. No response has yet been received from Hirohito, but the Japanese ambassador responded to their request for assistance by saying that former Heiho members had already been reimbursed through war reparations. However what is most important now, Prayitno said, is that former Heiho members feel they have received nothing at all. "We shall continue to try for the reimbursement," he added.

## Reburial

Other decisions taken at the Work Conference attended by 50 delegates from various regions include moving bodies of Heiho members who died during World War II in Halmahera and its environs to Ternate. Further, the bodies of unknown Heiho heroes and those who worked involuntarily are to be buried properly in Simpangtiga, Kampar-Riau Regency. Their mortal remains number about 50,000.

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CSO: 4213

HIGH RICE PRODUCTION CREATES STORAGE, CONSUMPTION PROBLEMS

Jakarta KOMPAS in Indonesian 16 Jun 80 pp 1, 12

[Article: "Rice Production Explosion Is Certain This Year, MENMUD Achmad Affandi Says"]

[Excerpts] It has been ascertained that rice production will exceed the target this year, resulting in the highest production estimated to date. This will have two consequences that will require vigilance, the problems of storage and increasing consumption.

Eng Achmad Affandi, vice minister for food production affairs, expounded on this matter on his return flight from West Nusatenggara to Jakarta at the end of last week. MENMUD [vice minister] Affandi and Solichin G.P., SESDALOPBANG [secretary for the control of development operations], and their party observed famine-threatened areas in South Lombok and Bima Regency, West Nusatenggara, last Thursday and Friday [12 and 13 June]. They also officiated at the opening of the second phase of the "Resolve To Be Prosperous" program for these regions. This program is aimed at releasing the local people from the threat of famine which hovers over them each year.

MENMUD Affandi concluded that rice production will exceed the highest target ever established by 7 or 8 percent.

For 1980, the target for domestic rice production was set initially at 18.45 million tons. If there is a surplus of 7 or 8 percent above this target, Indonesia will produce between 19.74 and 19.92 million tons or almost 20 million tons of rice.

Affandi concluded that the "extraordinary" production "explosion was based solely on a mathematical calculation. Data collected up to 3 weeks ago were compared with production figures for the same period in earlier years.

From the time BULOG [Logistics Bureau] began its 1980-81 food stocks program as of 1 February through last week, the equivalent of 912,000 tons

of rice was purchased from the farmers. This is solely domestic production, and does not include rice imports for which contracts were signed for the fiscal year underway.

As of 1 April, BULOG estimated that for the period 1 February 1980 to 1 January 1981 food stocks would reach the equivalent of 700,000 tons of rice. This was a striking increase over the 1 February estimate which projected the equivalent of 550,000 tons of rice for 1980-81.

At the fourth national-level food supply coordination meeting for 1980-81, held in Ujungpandang on Saturday, 7 June, BULOG chief Bustanil Arifin noted the striking difference between the current and the earlier estimate, namely that domestic rice stocks for 1980-81 are now estimated to total 1.121 million tons, which is 60 percent over the 1 April estimate.

At this meeting the BULOG chief said the domestic food stock estimate was based on data received through 7 June, namely, that total stocks had reached the equivalent of 889,153 tons of rice by 1 February 1980.

At the end of last week Affandi said his own estimate was higher. Domestic rice stocks for the fiscal year underway could amount to the equivalent of between 1.3 and 1.4 million tons of rice. This is a twofold increase over the BULOG estimate for 1 April.

MENMUD Affandi boldly submitted this estimate based on current paddy production data which is calculated to be three or four times higher than the rate of production for the same period last year. Current production is forecast to be 2.5 to 3 times higher than that for 1978, which was the highest recorded to date.

Because rice production will exceed all previous estimates, Bustanil Arifin at the meeting held in Ujungpandang at the end of the first week of June, voiced the difficulties which must be faced in storing this great production. BULOG godowns in the various areas are now only capable of storing 1.3 million tons. However, as of the first of this month, rice handled by BULOG totaled about 1.9 million tons, including rice imports received.

Almost half the rice held by BULOG is stored in rented godowns. The construction of new godowns by BULOG, capable of holding 800,000 more tons, is estimated to be completed only by 1 April 1981.

It was concluded at the meeting that a way out would be to postpone the shipment of imported rice for which contracts have been signed or for which they are still under negotiation. Clearly this is unsatisfactory. Therefore a decision was issued that rice could be traded outside the territorial limits of a province, an idea which was not "given the time of day" earlier. For example, interisland trade of rice was permitted for East Java as of 1 June.

Even this is problematical since other provinces in general also report an increase in production greater than they will be able to store themselves.

However, more disturbing to the vice minister for food production affairs is consumption, particularly long-term consumption.

"My heart is pounding because people will be able to increase their consumption," he said after he saw the rice production figures. But this is dangerous because once consumption increases, it is very difficult to reduce it again to the "normal" level.

Achmad Affandi did not define "normal" consumption for Indonesia. Based on its official data, BULOG has estimated per capita rice consumption in Indonesia to be almost 130 kilograms a year. Data for the past several years show a rising trend in consumption. In a number of regions in Indonesia per capita rice consumption is recorded at 150 kilograms per year, but in other areas it is even higher.

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CSO: 4213

LIMITS ON USE OF ALIEN WORKERS PROPOSED

Jakarta KOMPAS in Indonesian 18 Jun 80 pp 1, 9

[Article: "DSP on Using Alien Workers Proposed"]

[Excerpts] BKPM (Capital Investment Coordination Agency) has submitted a proposal to the Department of Manpower and Transmigration suggesting that when the Priority Scale Register (DSP) is issued, it should include reference to the use of foreign workers by companies in Indonesia, limiting their use and then only to certain types of work.

Ismail Saleh, BKPM acting chief, gave this information to newsmen at the Department of Industry on Tuesday [17 June].

A DSP on the use of alien workers in Indonesia is greatly needed at this time, he added. With such a DSP it will be possible to determine in which fields aliens should be employed and in which fields Indonesians should be employed.

The capabilities of Indonesian workers should be studied in depth in preparing a DSP on the use of alien workers. Let us not use the greatest number of Indonesian workers simply out of high idealism so that we limit too severely the employment of aliens in fields in which Indonesians are not yet well trained. Should this happen, companies in these fields will suffer.

A DSP on the employment of aliens will make things easier for those officials responsible for supervising the employment of aliens in Indonesia. By matching their employment with the DSP requirements, it will be known readily which companies are violating the regulations. By using the DSP, entrepreneurs will know for certain those fields in which they may employ aliens. With such a DSP, bargaining will be eliminated on the types of fields in which aliens may be employed. The DSP already will have used experts to carefully investigate which industries need alien workers.

The DSP on the employment of aliens in Indonesia will be updated each year. It is proposed that such a DSP be issued annually. Changes are needed each

year because aliens must transfer their expertise to Indonesians within a year after they are employed.

Aliens may be employed for 1 year only, and they must have transferred technology within that time period. However, this is not a rigid time frame, for attention must also be paid to the situation in the company and in the employment field. If problems are still found to exist in transferring technology in a particular employment field, aliens may be permitted to remain in Indonesia for another 6 months. After the 6-month period, the situation must be reviewed.

To limit the employment of aliens, BKPM has issued a decision to the effect that any company using aliens must send Indonesian workers overseas for training. Also these companies must employ an equal number of Indonesian workers trained overseas and aliens.

Ismail Saleh added that fines levied on companies employing aliens longer than the time period established are low, only \$100 a month. This, of course, is an impediment, for when it suits them, these companies extend the period during which they employ aliens. Therefore heavier sanctions as well as fines will be included in the forthcoming DSP.

The BKPM acting chief also explained that foreign entrepreneurs may not hide the technology used in model businesses established in Indonesia. Any foreign company establishing a model business in Indonesia must agree to transfer all of its expertise to Indonesian workers.

The content of the next DSP on employment of aliens in Indonesia will be determined in cooperation with the Department of Education and Culture to resolve the problem of qualified labor needed by companies in Indonesia. At present many are unemployed in Indonesia, but they are not suitably trained to meet the needs of companies operating in Indonesia.

Regarding the transfer of technology in Indonesia, Indonesians themselves are often an impediment. Indonesian workers are often less capable of rapidly absorbing foreign technology within a 1-year time period because their basic training is far different from what the work requires. Of course, it frequently happens that aliens are unwilling to transfer their technological knowledge to Indonesians if they can keep it hidden.

Ismail Saleh added that the problem of projects now at a standstill because of lack of capital investment has been discussed with bankers. A number of cases have been settled with assistance from banks, and these projects are moving forward again. By taking these projects in hand, the government has proved that it will continue to pay attention to projects at a standstill and will not abandon them.

In early April Ismail Saleh pointed out to newsmen that more than one-fifth of the capital investment projects were at a standstill, mainly

because of investment or management problems. These problems will be resolved, for if work can start on these projects, more employment fields will be available in Indonesia.

There are 848 capital investment projects at a standstill now. This amounts to 20.52 percent of the 4,131 capital investment projects established in Indonesia between 1967 and 1979. They consist of 690 domestic capital investment projects and 158 foreign capital investment projects.

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CSO: 4213

EXECUTIVE DIRECTOR OF P.T. PROPELAT RESIGNS

Jakarta KOMPAS in Indonesian 19 Jun 80 p 8

[Article: "H.R. Dharsono Resigns as Executive Director of P.T. Propelat"]

[Text] Lt Gen (ret.) H.R. Dharsono, executive director of P.T. Propelat, headquartered in Bandung, officially resigned from the company on Tuesday, 17 June.

The former Siliwangi commander told newsmen that as executive director of P.T. Propelat he no longer felt equal to the task of meeting all the requirements set by the parties concerned in handling relations between P.T. Propelat and outside parties, particularly in building relations with government representatives.

On this basis, Dharsono said, his continuing to act as director of P.T. Propelat clearly would hinder the advancement of the company he headed and moreover the consequences would be felt by the Propelat Group as a whole. "P.T. Propelat has been rising up from its fall in the past year and a half. Therefore any impediment whatsoever must be avoided, including that caused by me," he remarked.

He said he resigned at his own volition, voluntarily, based on honest feelings. "No one at all forced me to resign. It was really done because of my own personal awareness," Dharsono told KOMPAS.

Dharsono felt his resignation as executive director of P.T. Propelat would make things easier for all sides. "I had to take the initiative immediately to speed up my release from Propelat so that I would not see this company gradually go into a decline again," he said.

Under the company's by-laws, Dharsono will continue to assist P.T. Propelat until a new director is found. "Shareholders will hold an extraordinary meeting to seek a replacement for me," he remarked. Officially H.R. Dharsono was the executive director of P.T. Propelat from 1 December 1978 to Tuesday, 17 June 1980.

H.R. Dharsono, better known as Pak Ton, still does not know what he will do after he leaves his position as Propelat executive director. "I have no plans whatsoever," he said. "However, I am convinced that with luck there will always be something somewhere to maintain my livelihood. Perhaps I can work with a private company," he said, smiling.

6804

CSO: 4213

CHINESE ORGANIZATIONS URGED TO OPEN DIALOGUE WITH GOVERNMENT

Chinese Youth League

Selangor KIN KWOK DAILY NEWS in Chinese 17 Jun 80 p 10

[Article by Jen Chung (0117 6850): "Malaysian Chinese Youth League Urged To Serve the Interests of the Chinese Community"]

[Text] As we are stepping into the 1980's, the political situation in Malaysia has become more complicated than ever. The 1980's are a decade in which the National Front government has made it a policy to raise the economic status of Malays--a policy which has the strong support of the United Malays National Organization but which has been viewed by the Chinese community as an encroachment on its interests. Under such circumstances, the Malaysian Chinese Association (MCA) and the Malaysian Chinese Youth League (MCYL), which represent the interests of the Chinese community, must take joint practical action to defend such interests and must find ways to prevent any further encroachment on the economic position of the Chinese community.

In other words, the MCA and MCYL will have a very important and difficult role to play in the future. Although many members of the Chinese community do not recognize the MCA and MCYL as their representatives, the two organizations will certainly become targets of public wrath once they fail to take effective measures to forestall government actions that will have a detrimental effect on their interests. Now what the supreme leadership of the MCA and the MCYL find hard to understand is the question: since they are authorized by the Chinese community to plead its case before the government, why can't its members give them all-out support?

As the MCA's vanguard, the MCYL also has a great role to play in defending the interests of the Chinese community and in educating its younger generation and acquainting it with Malaysian politics. Nevertheless, the MCYL must be praised for its recent daring action in defense of the legitimate rights of the Chinese community.

The 1980's are expected to be a turbulent decade. During this decade, the MCYL must passionately review its past and plan for the future on the basis of its past experiences. Its present primary task is to coordinate relations

between the different groups in the Chinese community, so that they can work together for the common good and for the interests of the majority of the Chinese community. It must reestablish its ties with the schools of the Tung family as a step in striving for equitable educational treatment for the children of the Chinese community. The supreme MCA leadership and the MCYL must discard their go-it-alone policy by resuming communications with other ethnic groups on matters of mutual interest and by exchanging views with them on cultural and educational activities and on economic and political measures. The Chinese community has been puzzled by recent charges and countercharges between the MCA and MCYL on the one hand and some leaders of the Chinese community and representatives of the schools of the Tung family on the other. The former recently flew into a rage in response to continuing accusations and severe criticism launched by the latter. Since then, they have become enemies and have continued to expose each other's shortcomings!

Frankly, since 1969, the fortunes of the Chinese community in the cultural, economic, educational, and political fields have been faring worse year after year. This development has greatly alarmed its members. The crisis reached a peak in 1978. This crisis facing the Chinese community has been a major subject of discussion at the various annual meetings of Chinese groups and their affiliated cultural and educational organizations during the past few years. Also under discussion have been the current predicament in which the Chinese community has found itself, the education and industrial coordination programs, the problems concerning an independent Chinese university, national culture and land distribution, and the report on education issued by the cabinet. These problems reflect the latest concerns of the Chinese community. These Chinese groups have also adopted resolutions on culture, education, economic development and problems of land distribution. For example, they have suggested to the government that enrollment at institutions of higher learning be based on college-bound students' academic achievements rather than on the population of each race. They have also expressed support for the measures taken by the schools of the Tung family and opposition to the "report on education" adopted by the cabinet, which includes regulations detrimental to Chinese schools, and have called on the government to revise it. They have also suggested to the government that an independent university be established for the Chinese community, and that more land be distributed to people of Chinese origin under the federal government land development program.

Generally speaking, as a result of the misinterpretation of the new economic policy by its enforcement officials and demagogic oratory by racial extremists, a crisis is apparently brewing in Malaysia. Unrest is also evident because non-Malay people have been treated like aliens under the new economic policy.

The MCYL is the shock brigade of the MCA. What appropriate action will it take to counter this situation? What measures will it adopt to correct the aforementioned misinterpretation of the new economic policy? How can it

strive to raise the social status of citizens who are of Chinese origin? In what ways can it help the MCA regain its prestige among the members of the Chinese community? Li Chin-shih (2621 6855 3740), head of the MCYL national organization, should act like a far-sighted leader of the Chinese community and try his best to overcome the difficulties now facing people of Chinese origin. Only in this way can he help create a great society of friendship and unity in Malaysia.

An MCYL delegation recently held a frank 4-hour dialogue on education, culture, economic development, citizens' rights, and other problems with Chairman of the National Front and Prime Minister Hussein Onn at the latter's office. During the dialogue, the delegation also handed the Prime Minister a memorandum which reflects the common desire of people of Chinese origin to extricate themselves from their present predicament. This practical action taken by the MCYL deserves our commendation, because such actions are more meaningful and effective than any demagogic speech delivered at a public place or a political forum. But the MCYL should follow up this dialogue with similar actions until steps are gradually taken to improve the status of the people of Chinese origin. At least, the MCYL must bear neither frustrations nor difficulties in transmitting the opinions of the Chinese community to the authorities concerned.

In the past, the MCYL has taken advantage of the radio stations to broadcast its appeals for government action to redress the grievances of the Chinese community. Such Chinese-language broadcasts, which have continued for years, have served no useful purpose and have caused people of Chinese origin to lose their confidence in the MCYL's ability to lead their community.

The MCYL memorandum to the Prime Minister touches on education, economic development, land distribution, the development of new hamlets for residents of Chinese origin, the problem of shantytowns, employment, culture, the evolution of a national culture acceptable to people of all ethnic groups in Malaysia, and citizens' rights. Statistical figures and graphic tables were supplied as an appendix to the memorandum to justify the MCYL's demands for improvements in the status of the Chinese community. This outstanding performance by the MCYL leadership has been praised even by its critics or intellectuals as a significant new step in reforming its organization and revitalizing its activities. Now is the time for the MCYL to bring this new spirit into full play!

At present, the MCYL must step up its contacts with other Chinese groups and their educational organizations, including youth organizations. It must hold dialogues with the youth movement for unity and with leaders of its various branches throughout Malaysia. The MCYL must sincerely play a role in developing the independent Chinese middle schools throughout Malaysia and cooperate with the primary schools of the Tung family in working out plans for rebuilding and expanding many primary Chinese schools. It should refrain from establishing the so-called vanguard teams and from publishing articles rebuffing statements by various other Chinese groups or educational

organizations. The MCYL should really act like a far-sighted statesman willing to tolerate and accept different opinions. It should tolerate criticism and should refrain from accusing people of viciously defaming the MCA if they criticize the MCYL. With such disputes continuing to develop, how can the Chinese community achieve its great unity?

On the other hand, the MCYL's courage in speaking out and protesting social injustice apparently has won the heart of the Chinese community. If it continues to defend the interests of the Chinese community with practical actions, especially in the cultural and educational fields, we believe that the schools of the Tung family will come around and cooperate with the MCA in the educational field. From now on, the MCYL must increase its contacts with various groups, cultural and educational bodies, youth organizations of the Chinese community, and schools of the Tung family, and it must exchange views with them on education and other matters. Only in this way can the MCYL win the wholehearted support of the Chinese community, expand its influence, and open up a new prospect for its future development!

#### Chinese Community Encouraged to Solve Its Own Crisis

Selangor KIN KWOK DAILY NEWS in Chinese 25 Jun 80 p 3

[News report from Kuala Lumpur: "The Chinese Community Enters a Period of Political Crisis"]

[Text] Lawyer Tseng Yung-sen (2582 3057 2773) has pointed out that the Chinese community must rely on its own efforts to extricate itself from its present political predicament or crisis, which has been growing worse with each passing day.

At present, although the members of the Chinese community have raised their political consciousness and have become more interested than ever in politics, they are still in the probing stage.

For years, Chinese political forces have been in disarray because the members of the Chinese community did not trust their own political parties.

Our current urgent task is to persuade the members of the Chinese community to trust their own political parties and rally behind a single strong political party. All young political activists of Chinese origin should sincerely pledge their loyalty to the interests of their own community, both by speeches and by actions. They should never allow their lust for personal gain to blind their logical reasoning, and they should never put self-interest above public interest.

Lawyer Tseng said: Although the political crisis now facing the Chinese community is getting worse with each passing day, ways must be found to overcome it. He hoped that the people will bravely face up to all forms of difficulty and will seek ways to solve them.

Lawyer Tseng Yung-sen, a member of Parliament, made the above statement in a speech at a banquet held in Perak State on 21 June to mark the 11th anniversary of the MCYL guitar band.

9574  
CSO: 4205

NEW FAMILY WELFARE PROGRAM SUBMITTED TO PRESIDENT

Lahore THE PAKISTAN TIMES in English 19 Aug 80 p 4

Editorial: "Population: Planned Welfare"

Text

The Adviser to the Government on Population Planning is reported to have submitted a new family welfare programme to the President. The plan adopts a multi-dimensional and social development approach and includes features aimed at maximising the welfare of such target groups as women, children and youth and the deprived sections of society. The programme will cover both rural and urban areas with an eye to the problems of demographic growth. A special feature of the new programme is that it has been dovetailed into the wider national objective of social mobilisation and development. The latest recommendations were requisitioned some time back with a view to putting a new life into the national population planning programme, which has dismally failed in the past to achieve its targets, and fitting it into the new Islamic socio-economic

framework in process of being set up in the country. The story of population control in Pakistan in the last 30 years is one of total failure. We have sunk hundreds of millions of rupees into this sector only to get negative results. The rate of population increase in the fifties, when control measures were first instituted, was around two per cent. But instead of going down it rose to 2.4 per cent in the sixties. It appears the more we have spent on containing population, the more it has expanded. For, ten years later in 1972, the percentage increase was recorded at 3.6. Only last year, there was a slight slowdown in the rate of demographic explosion as a result of the corrective steps taken by the present Government. The factors responsible for the persistently discouraging performance in this field in the last three decades are many and varied, including misuse of funds and

widespread corruption, a macro approach to an intensely individualistic problem and lack of supervision and direction from above. The greatest defect of all was that population planning was divorced from its wider socio-economic context and pursued as an end in itself. The strategy inevitably failed.

Latest research into the subject shows that population planning best works when it is treated as an integral part of the overall socio-economic plan, particularly in relation to its impact in the health sector. It is gratifying to note that the new population welfare programme submitted to the President is based on the latest concept of maximising family welfare as a means to establishing a reasonable degree of control over demographic dimensions. Advice on a plan-

ned family will not only be more acceptable but also more effective if offered as part of a compact health package. For, population planning at the macro level is no different from the overall socio-economic well-being of a family. It is this essential message that has to be got through to the target groups, backed by a carefully prepared package of health and nutritional aids delivered at the doorstep of the people. More and more families can be brought within the purview of the programme, if instead of depending on the media, a person-to-person approach is adopted in meeting the particular needs of individual families. This will be of special advantageous in rural areas where the hold of tradition and resistance to change is stronger.

CSO: 4220

OIL PROSPECTING TO TAKE PLACE IN POTHAR

Lahore THE PAKISTAN TIMES in English 10 Aug 80 p 14

Editorial: "Oil Exploration"

Text

America's leading oil firm, the Occidental Oil Company, has agreed with the Pakistan Government to make an initial investment of 17 million dollars to prospect for oil in the area of the Potohar. The firm's Chairman, Dr. Armand Hammar, one of the world's best-known businessmen, while signing the agreement has expressed confidence about finding oil in Pakistan. His company will undertake deep drilling in Balkassar, Joyamir, Dhullan and Kaur, place-names already familiar to explorers because of their obvious potential for oil deposits. Shallow-well extractions in these areas have attracted experts and investors from abroad and Dr. Hammar, whose views on the international energy crisis are well-known, has been tempted to try deep drilling in order to get at the oil trapped in lower geological strata. Assessed against the track record of

his firm, Dr. Hammar's calculation is not going to be a disastrous business risk. He is prepared to drill at the depth of 6,000 to 12,000 feet and his success in Libya at deep-drilling must point the way to Potohar. Chances are that the oil struck deep down may be of superior quality, like that of Libya, and make up with quality what it may lack in terms of quantity.

The agreement reached with Dr. Hammar's firm is one of a series signed in the past with foreign firms to open up as much of the country to drilling as possible. Given Pakistan's limited financial and technological resources, the low success ratio in drilling required by international standards cannot be borne at the present time, OGDC has, therefore, signed on foreign partners in its quest for oil. A number of new wells have been drilled and the total extraction is gradually

going up. For example, it is working the latest strike at Qazian with Gulf Oil without risk of losing out on investment. Shell Oil is prospecting in the Bahawalpur area and has a contract to drill for a period of four years, without any investment liability for Pakistan unless Shell's investment exceeds 4.5 million dollars, in which case we will foot 10 per cent of the cost in local expenditures. With this kind of minimum-risk strategy Pakistan has managed to drill 200 wells in the Indus Basin alone. After this hectic effort, we may expect to double our domestic daily oil output from 10,800 barrels to 20,000 barrels. This would

put a small dent in our oil bill which has mounted in one year from Rs. 5,247 million in 1978-79 to Rs. 11,910 million in 1979-80. We have to struggle a long time yet to overtake the figure of 80,000 barrels of oil that we import every day to meet our energy requirements. Experts continue to tell us that there is oil in Pakistan, both along the Indus Basin and the Baluchistan Basin, the latter being virtually unexplored at present. However, once discovered in good quantity (and this can happen with one really good well), our shortfall may be removed sooner than we despairingly predict.

CSO: 4220

## SIGNIFICANT INCREASE IN HOME REMITTANCES REPORTED

Islamabad THE MUSLIM in English 20 Aug 80 p 7

Text

Home remittances from Pakistanis residing and working abroad continue to play an increasing role in cushioning the country's foreign exchange receipts and resources. They constitute a major resource segment in the balance of payments for offsetting the current account deficit which has become a regular feature due to persistence of a wide gap between imports and exports and exports of merchandise.

During 1979-80, home remittances established a new peak at \$ 1,725 million showing 13.5 per cent increase over the preceding year's amount of \$ 1,397 million.

These receipts represent a virtual gift of foreign exchange to the country whose exports are usually 50 per cent less than its imports.

The financing of this gap is obvious being managed through home remittances of Pakistanis working in foreign countries. Nobody can deny that the existing pattern of the liberal import policy owes very much and rather entirely to the availability of home remittances in increased amounts.

There is usually a lot of talk—especially among business and industrialists—that emigration of Pakistani workers abroad should be stopped and that there should be some sort of restrictions on the free inflow of remittances because they cause inflationary trend in the

economy through diversion of funds into purchases of "luxury" items and construction of houses. It is surprising that these arguments do not take cognizance of the hard reality that the maintenance of a liberal import policy—particularly for industrial raw materials—will hardly be possible without the availability of remittances. In any society, no items—an airconditioner, a colour television, a motor car, wall-to-wall carpeting etc can be described as luxury goods for a majority of the population so long as these items are used as essential goods, freely and without any hitch by a small minority in the population.

The significant role of home remittances in the country's economic development cannot be belittled by saying that they add to inflationary tendencies. The arguments that home remittance cause inflation do not seem to carry any weight. One may pick up any item of daily use, the prices of which have gone up recently. For instance: sugar, cement, atta, power rates, transport charges, house rents, petrol prices, fertilizer prices etc. The rise in the prices of none of these items could be attributed to buying spree from those receiving remittances from Pakistanis working abroad. If one prefers to single out cement and house rents, it may be pointed out that hardly 25 per cent of cement produced and imported in Pakistan is utilised in the construction of residential buildings. Almost 40 per cent goes into public-sector projects like Steel Mills, Port Qasim, Tarbela and other dams and number of other development projects. Another 35

per cent of cement supplies is consumed by industrial and commercial enterprises in the private sector. What is more, the use of cement in residential housing is restricted only to big cities like Karachi, Lahore, Hyderabad, Peshawar etc. There is hardly any cement supply in the rural areas including small towns, from where the workers have gone abroad in large numbers.

The rise in house rents is primarily a phenomenon of shortage of houses in relation to growing demand. Secondly, it is also influenced by rise in prices of all consumer goods. A few hundreds of houses constructed by emigrants' families would in fact provide a relief in the midst of the pressure of demand for houses. Thus, the increase in the number of newly-constructed houses may be described more as a boon rather than a development deserving condemnation.

The fruitful and productive utilization of home remittances from the work-force which was redundant and surplus at home, can be planned through suitable adjustments in the import policy and rules governing fixed capital investment in the industrial sector.

It cannot be denied that a lot of deep thinking has been given to the aspect of fruitful utilization of remittances and as a result, appropriate measures were evolved during the last three years for channelling the remittances into industrial and other spheres of fixed investment. The non-repatriable investments from Pakistanis residing and working abroad has emerged as one of the major means of capital inflow into the country's development programmes. Not only, this type of investment is actively participating in the industrial sector but also imports of CKD trucks, buses and tractors are being financed mainly through emigrants' earnings.

Further, it may be pointed out that home remittances have emerged as a significant constituent of GNP. In flow of remittances from abroad worked out to about 7.55 per cent of GNP at current factor cost which was of the order of Rs. 227,617 million in 1979-80. In addition to their direct contribution to GNP, the remittances also figure prominently as means of financing in the development of industry, agriculture, imports, housing etc. and thus make a further indirect contribution to the growth of GNP.

CSO: 4220

PAKISTAN

BRIEFS

ENVOY TO UPPER VOLTA--Islamabad, Aug 16--The Government of Pakistan announced the concurrent accreditation of Miss S.K. Jan, Pakistan Ambassador to Ghana, as Ambassador of Pakistan to Upper Volta. Text  
Karachi DAWN in English 18 Aug 80 p 5

CSO: 4220

PHILIPPINES

INTELLIGENCE OFFICER REPORTS ON 'LIGHT A FIRE MOVEMENT'

Manila PHILIPPINES DAILY EXPRESS in English 22 Aug 80 p 6

Article by Alex D. Allan

Text

A TOP intelligence officer testified yesterday before a military court that the interception of chain letters in 1979 had led to the discovery of the "Light a Fire Movement," said to be the sabotage arm of a subversive "third force."

Operations resulted in the arrest of 12 leaders and members of the urban guerilla group, including businessman Eduardo Olaguer, the alleged leader, and the seizure of sophisticated explosives, incendiary devices and allegedly subversive documents.

Col. Rolando Abadilla, chief of the Metrocom Intelligence and Security Group, told Military Commission No. 34 headed by Brig. Gen. Emilio Melendres Jr. that his agents intercepted at least eight chain letters which examination and analysis showed to have come from a single source.

Analysis of the contents of the letters, Abadilla said, indicated the existence of a group trying to foment chaos and disorder by inciting people to "light a fire, no matter how small" and to practise "public justice and civil disobedience."

THE CHAIN letters were variously addressed to "Dear Soldier," "Dear Freedom Lover," "Dear Kababayan Filipino," "Dear Schoolteacher," "Dear Friend," and others, Abadilla said.

Followup of leads and other information on the suspected conspiracy led the MISG agents to a certain Ben Z. Lim, a "Balikbayan" whom they learned to have just returned from the United States. After arresting Lim at the Manila International Airport last December, the agents learned that Lim had been met earlier by Olaguer who spirited out two suitcases brought in by the "Balikbayan."

Abadilla told the court that this prompted him to request for the issuance of an ASSO (arrest, search and seizure order) against Olaguer and other suspects who may be identified during the operation.

He said that while waiting for the ASSO to be issued, he managed to recruit an employee of Othoniel Jimenez, a close associate of Olaguer and one of the principal accused.

THE EMPLOYEE confirmed that the Light a Fire Movement was an arson and sabotage group and that it had already delivered explosives and incendiary devices to a number of offices and buildings.

The agents also uncovered a timetable which indicated that the urban guerrilla group contemplated the launching of massive bombing operations on New Year's Day.

When an ASBO was finally issued by President Marich on the recommendation of Defense Minister Juan Ponce Enrile, the NSISI raided the homes of Jimenez, Olaguez, and other suspects; and the *Business Day* offices.

It was in these raids that the accused were arrested and the explosives, subversive documents, and other evidence were discovered and seized.

CSO: 4220

INTERNATIONAL TRADE UNITS FACE DIFFICULTIES

Manila BULLETIN TODAY in English 21 Aug 80 p 13

[Text]

The Board of Investments (BOI) said yesterday that the country's 12 overseas trading offices are currently encountering some minor problems which are under control.

BOI governor Federico Borromeo did not elaborate but said that these are problems usually encountered in the beginning.

"These are the usual birth pains," he said.

A reliable source from OTO circles, however, said that the lack of a clear-cut policy on foreign exchange allocation for overseas offices is hampering operations.

Although PD 1646 assures availability of foreign exchange, the

source said that it is not readily available.

Earlier, each overseas trading office was granted by the Central Bank \$100,000 foreign exchange allocation. At the same time, the CB forecast that the total exports of the country could reach between \$3.7 billion and \$6.2 billion this year, reflecting an increase of 30 and 40 per cent from the \$4.5 billion registered last year.

The CB pointed out that the country was already in a position to maximize its export earnings now that the bottlenecks have already been removed, regulations liberalized, procedures simplified and fiscal and credit incentives provided.

CSO: 4220

## PHILIPPINES

### BETTER TRADE REPORTED WITH USSR

Manila BULLETIN TODAY in English 21 Aug 80 p 28

Text

Russia emerged as the Philippines' top trading partner among socialist countries in Eastern Europe last year, giving RP a favorable balance of trade amounting to \$75.6 million from a total trade of \$91.01 million.

The Ministry of Trade said that Philippine exports to Russia amounted to \$43.3 million, while imports totalled \$7.7 million.

Figures from the MT's bureau of international trade relations showed that total trade with

socialist countries in Eastern Europe amounted to \$131.12 million last year, with a favorable trade balance for the Philippines of \$60.87 million. Total exports to the socialist bloc were valued at \$98 million, while imports totalled \$35.13 million.

The MT said that Yugoslavia ranked second to Russia, with a favorable trade balance for the Philippines of \$997.176 and Hungary, with \$445.338.

The country had a trade deficit with five

other socialist countries in Europe but this was offset by the trade balance with three countries mentioned.

Among the major RP exports to the socialist bloc countries last year were crude coconut oil, copra, sugar, copper concentrates, cement, calcium carbide and raw coffee.

Other socialist countries with which the country has bilateral trade relations include Romania, German Democratic Republic (GDR), Poland, Czechoslovakia and Bulgaria.

CSO: 4220

## PHILIPPINES

### EXPORTS TO WEST GERMANY INCREASED BY 58 PERCENT

Manila PHILIPPINES DAILY EXPRESS in English 19 Aug 80 p 12

*[Text]*

PHILIPPINE exports to West Germany last year totalled \$226.4 million, a hefty 58.51 percent increase over the previous year's total of \$142.8 million, according to the trade ministry relations.

Records also show that total trade transactions between the two countries amounted to \$502.54 million in 1979, a jump of 53.69 percent over 1978 figures of \$326.9 million.

This increase made West Germany the top ranking trading partner of the Philippines among the countries of Western Europe, and the third biggest trading partner overall.

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THE improved performance of Philippine exports to West Germany was due largely to an increased share of the country's traditional and nontraditional commodities in the

German market.

Among the leading Philippines exports to West Germany for 1979, coconut oil, came in first with \$51.24 million in total value.

Semi-conductor devices which include integrated circuits, transistors, watch modules came second with a \$20.20 million total.

Lumber was third with \$13.24 million while trousers, which include breeches and the like, men and children, worth \$12.24 million was fourth last year.

Meanwhile, RP imports from West Germany consist mainly of capita goods, such as textile and leather machinery, motor vehicles, telecommunications equipment, machinery and equipment for specialized industries, passenger motor cars, and ingots and other primary forms of iron and steel.

CSO: 4220

BELGIUM LOANS \$40 MILLION FOR RAIL EQUIPMENT

Manila PHILIPPINES DAILY EXPRESS in English 20 Aug 80 p 6

Text

A \$40-MILLION loan agreement for the purchase of equipment for Metro Manila Light Rail Mass Transit System was signed yesterday at ceremonies in Malacanang.

The agreement was signed by Transportation Minister Jose Dans and Finance Minister Cesar Virata for the Philippine government and by Timothy Hooper for Societe Generale de Banque and Citibank N.A. Brussels.

The First Lady, Imelda R. Marcos, secured the loan for the 30-kilometer rail system designed to ease the transportation problem in the metropolis in her recent trip to Brussels, Belgium.

A joint venture of the Construction Development Corporation of the Philippines and a Belgian consortium, the project was approved by President Marcos last June.

THE LIGHT Rail Transport Authority with the First Lady as chairman has been formed to operate the system.

The President said the project is an answer to the long-felt need for an efficient and economical mass transit system for the city, which could also lead to the expansion of other means of transportation in the area.

Resting on an elevated platform in the middle of the street, the rail system starts at the Balintawak monument in Caloocan, passes through Rizal ave., Taft ave. and on to the Board of Air Transportation compound near the Manila International Airport.

The railway system will accommodate 64 trains, each consisting of two coaches and capable of carrying a total of 740 passengers each way.

The project is expected to be operational by May of 1984.

CSO: 4220

BUSINESS OPPOSES EASING OF IMPORT RESTRICTIONS

Manila PHILIPPINES DAILY EXPRESS in English 20 Aug 80 pp 1, 6

Text

**MORE LAYOFFS** and company shutdowns were predicted yesterday by businessmen and industrialists even as they rejected the government move to cut substantially tariff duties on imported products, including luxury goods.

In a dialogue with Economic Planning Minister Gerardo P. Sicat in a hotel in Makati, the businessmen claimed the government decision would result in the flooding of the local market with imported items, to the detriment of local producers.

They even warned that some companies, now reeling from the high cost of (borrowed) funds, would likely fold up in the face of stiff competition from lower-priced imported goods. (See related story on Page 10)

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**IN THE** recent tripartite conference on wages, the management sector used the same arguments — the layoff of more workers and shutdown in the operations of some firms — to oppose an increase in workers' wages.

Other companies, like San Miguel Corp., used similar arguments in its opposition to the proposed increase in specific taxes on its main product — beer.

The tariff reduction, to be implemented in four stages, is expected to

be completed in four or five years. The four industries that will be affected by the tariff reduction most are food processing, textile and garments, leather and leather products, and pulp and paper. —

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**IN YESTERDAY'S** meeting, Sicat justified the massive import tariff cut by saying it is designed to contain inflation (now running at 17 percent), promote industrial efficiency and upgrade the overall competitiveness of local industries in the home and foreign markets.

He said the tariff reform does not mean the dismantling of protection for local industries, but rather (a move that) will "bring a regime of dynamism" that will lead to a long-term growth for local industries.

The tariff adjustment, he added, will bring down the average effective rate of protection now received by local industries from 44 to 30 percent.

This will also lower the landed costs of raw materials, hence offsetting the increase in manufacturing costs caused by the oil price increases, he added.

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**SICAT** stressed that the lowering of the prices of imported goods by cutting tariff duties would bring about stable prices of consumer products in the country.

He denied, too, reports that the tariff reform was a precondition imposed on the country by the World Bank in approving its application for a \$200-million loan.

This loan, he added, is earmarked for the improvement of selected local industries.

Jose Concepcion Jr., of the Philippine Chamber of Commerce and Industry and Petronilo S. Guevarra of the Employers' Confederation of the Philippines, however, counter-argued that the reduced tariff on imported raw materials is not the issue.

They claimed that what is at issue is the lower tax on imported finished goods produced by highly efficient foreign producers which can command lower prices; the high interest rates now paid by local industries on capital (they borrow) to sustain their operations.

Concepcion claimed that local firms now pay loan interests from 22 to 28 percent a year, in contrast to the prevailing 8 to 11 percent rates in other countries.

Guevarra complained that it was asking too much for local industries that they compete with highly-efficient foreign companies.

CSO: 4220

PHILIPPINES

KBL MEMBERS AGREE TO SUPPORT TAX BILLS

Manila PHILIPPINES DAILY EXPRESS in English 20 Aug 80 pp 1, 6

Text

KILUSANG Bagong Lipunan members agreed yesterday to support four tax bills in the Batasang Pambansa that are expected to raise about P1.385 billion in additional revenues to support the proposed P54.8 billion national budget for 1981.

The agreement was made during a two-hour caucus presided over by Majority Floor Leader Jose Rono at the Batasang Pambansa.

Finance Minister Cesar Virata, chairman of the Batasan committee on finance, explained the objectives of the four tax bills and answered questions of the KBL assemblymen during the caucus.

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THE FOUR tax bills:

• Cabinet Bill No. 36 seeking to increase the specific tax on cigarettes by four centavos for a pack of 26 cigarettes at the retail cost of 1.45 centavos to P2.05; and by six centavos for a pack of 26 cigarettes at retail price of P2.06 to P3.35.

• Cabinet Bill No. 32 raising the specific tax on distilled spirits, wines, compounded and fermented liquors (beer) for the bill is expected to raise additional yearly revenue of about P610 million.

• Cabinet Bill No. 38 amending certain sections of the National Internal Revenue Code of 1977, as amended, governing the taxation of forest products.

• Cabinet Bill No. 39 amending certain section of the internal revenue code, as amended governing the taxations of minerals and mineral products.

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ASSEMBLYMAN Estanislao Fernandez earlier warned that the opposition might exploit the issue of increased taxes.

Virata countered that the best argument that can be used by the KBL is to cite expenditures for government programs that benefit the poor.

Answering questions of Assemblymen Salacuib Baterina and Joaquin Ortega, both from tobacco producing areas of Northern Luzon, Virata said he believed that the proposed taxes on cigarettes would

not adversely affect tobacco producers or farmers in the Ilocos region. He explained that his committee will conduct further studies on the economic effects of the tax bill on the farmers.

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**EDUCATION MINISTER** Onofre D. Corpus sought the formulation of a scheme to promote what he described as "political balance" in the imposition of additional taxes.

Assemblyman Baldomero Mangiliman criticized what he described as an "imbalance" in the implementation of tax laws. He claimed that the law-abiding citizens are in most cases made to bear the burden of additional taxes.

On motion of Assemblyman Kalby Tupay, the party agreed to endorse unanimously the Batasan approval of the two tax measures imposing additional taxes on cigarettes and liquor but deferred action until today on the two other proposed revenue bills on forest products and minerals.

Rono, who is also KBL secretary general, said that the national leadership is going over various proposals to maximize tax collection without putting additional burden on the poor.

Rono said that all the tax proposals are expected to be passed by the Batasan within the first 30 days of the Batasan work along with the proposed P54.8 billion national budget for 1981.

CSO: 4220

## PHILIPPINES

### FOOD PRICES REPORTED UP, SALES DOWN

Manila PHILIPPINES DAILY EXPRESS in English 22 Aug 80 pp 1, 2

Text Starting today, seven out of the nine commodities under price control will be retailed at higher prices--or 5-12 percent more--to cover the additional costs incurred by manufacturers because of increased oil prices.

These commodities are rice, now P2.60 a kilo, corn, P1.90 a kilo, both of which were increased by 15 centavos; sugar, milk, pork cuts, chicken and eggs, and school supplies.

Food processors and manufacturers, meanwhile, reported that their sales for the past seven months have gone down by 30 percent. Story on Page 9.

The new prices, which were recommended by the Cabinet standing committee and the Price Stabilization Council (PSC), will cover only Metro Manila. Price ceilings outside Metro Manila will be adjusted to cover reasonable transport cost differentials and handling charges as authorized by the PSC.

The new prices are:

Sugar: P3.25 for 1 kg. bag refined sugar (supermarkets and groceries); P3.30 in public markets and sari-sari stores; P2.30 for 1 kg. bag brown sugar (supermarkets) and P2.35 bag in public market and sari-sari stores.

• MILK: - P2.31 for 14 oz. can of evaporated filled milk (supermarkets) and P2.40 for sari-sari stores and public markets; P2.68 a can for evaporated reconstituted (supermarkets) and P2.75 for sari-sari stores; P2.75 for 14 oz. can of condensed filled milk (supermarkets and groceries) and P2.85 for public markets; P3.15 for condensed reconstituted (groceries) and P3.25 for sari-sari stores and markets.

• CHICKEN: - P16.50 per kilo, dressed; P13.70 per kilo live.

• EGGS: - For extra large, 70 centavos per piece or P8.90 a dozen (with box); large, 65 centavos or P8.30 a dozen; medium, 60 centavos per piece or P7.70 a dozen; small, 55 centavos a piece or P7.10 per dozen.

• PORK: - P17.90 a kilo for liempo and pork chop; P17.00 for

palcot, P8.40 for the head, P12.40 pata; P21.20 lomo and P8.30 empel-la.

• **SCHOOL SUPPLIES:** For newsprint Class A grades: HV pads, P1.35 per pad in supermarkets and large chain bookstores, P1.45 for sari-sari stores, on-campus stores and other retail outlets; for Grade J-IV pads made from recycled newsprint, P1.05 per pad in supermarkets and P1.15 in other retail outlets; for intermediate pads made from newsprint (100 lvs.), P1.95 for bookstores and P2.05 for other retail outlets; for 50 leaves/pad intermediate newsprint, P1.05 in bookstores and P1.15 in other outlets.

• **INTERMEDIATE PAD:** Bond paper, a pad of 100 lvs., P2.80 in bookstores, and P2.90, in other outlets; for pads of 50 lvs., P1.30 for bookstores, and P1.60 for sari-sari stores and other retail outlets.

• **COMPOSITION NOTEBOOKS:** 100 lvs. newsprint, P1.65 in bookstores, and P1.75 in other retail outlets; for newsprint

of 50 lvs., P1 in bookstores and P1.10 in other outlets; for 100 lvs. bond, P2.30 in supermarkets, and P2.40 in other retail outlets; for 50 lvs., P1.35 in bookstores and P1.45 in other outlets.

• **SPIRAL NEWSPRINT** notebook of 100 lvs.: P1.65 in supermarkets and bookstores, and P1.75 in sari-sari stores and other retail outlets; for 50 lvs. of spiral newsprint notebooks, P1.00 for bookstores and P1.10 in other outlets; spiral bond notebooks (100 lvs.), P2.30 in bookstores and P2.40 in other outlets; for 50 lvs. of spiral bond notebook, P1.35 in bookstores and P1.45 in other outlets.

• **BALLPENS:** Kilometrico, P1.30 in bookstores and supermarkets, and P1.40 in sari-sari stores and other outlets; Reynolds, P1.25 in bookstores and P1.35 in other retail outlets; Bic, P1.10 in bookstores and P1.20 in sari-sari stores.

• **PENCILS:** Mongol, 75 centavos, in bookstores and 80 centavos a piece in other retail outlets; Miracle Pioneer and Swallow, 46 centavos in bookstores and 60 centavos in other retail stores.

CSO: 4220

COCONUT INDUSTRY PROBLEMS DESCRIBED

Manila PHILIPPINES DAILY EXPRESS in English 20 Aug 80 p 10

Text

THE coconut industry is beset by three major problems that it has to continuously contend with, according to Board of Investments Gov. Hermingildo Zayco.

Zayco identified these problems as fluctuations in production, erratic world conditions and a multi-layered marketing structure which overburdens the small farmer.

Speaking before the Bishops Businessmen's Conference, Zayco said it is difficult to forecast coconut production volumes because during a coconut tree's development, its flowers or fruits are at the mercy of droughts, typhoons, earthquakes, and other calamities that may affect its growth.

"This makes it impossible to ensure a steady supply of the product to the world market," he said.

He added that the world market supply of coconut oil fluctuated from 1970 to 1979 between a minimum of 0.93 million tons and a maximum of 1.76 million tons. Thus, he said, a lot of substitution occurs.

ZAYCO said that in the last 10 years, coconut oil's share of total world export of oils and fats varied

from a low of 6.9 percent in 1974 to a high of 11.4 percent in 1976.

"These extremes in availability of coconut oil in the world market makes it difficult to determine the basic demand, because consumption only equals supply," he said.

But, Zayco said, the biggest headache of the country's 500,000 coconut farmers is the multi-layered marketing structure composed of 10,000 barrio buyers and 4,500 municipal buyers — the middlemen in the business.

He said these buyers are usually financed by the dealers, traders, or exporters in the upper part of the market structure. There are also at least 25 copra dealers who aggregate copra into larger volumes for sale to exporters and processors.

"One can imagine how depressed prices could be at the farm gates, especially for those farms located in isolated places, far away from the oil mills. These buyers are not only the outlet for the farm produce but also the source of financing of the poor farmers, who cannot turn to banks, not being able to provide the needed security," Zayco said.

CSO: 4220

PHILIPPINES

PILOT COMMERCIAL WHEAT FARM LAUNCHED

Manila PHILIPPINES DAILY EXPRESS in English 19 Aug 80 p 2

Text

A PILOT wheat production project designed to test the viability of commercial production of the cereal locally is currently being undertaken jointly by five government and private entities in San Mateo, Isabela.

According to the National Grains Authority, one of the agencies involved in the project, a two-hectare experimental wheat farm

was initially developed at the Cagayan Valley Bureau of Plant Industry experimental station in San Mateo.

The farm is planted with ACC 4073 wheat variety which was found suitable to Philippine climate

The NGA said the farm will eventually be expanded to five hectares within the corporate farm project area of Meralco.

CSO: 4220

## PHILIPPINES

### FISHCAGE CULTURE ON COMMERCIAL SCALE EXPLORED

Manila PHILIPPINES DAILY EXPRESS in English 19 Aug 80 p 2

Article by Alex S. Villanueva

Text

DUMAGUETE CITY - Cage culture of commercially important fish species is proving to be a feasible fishing technique in the Philippines.

This was revealed by the *Fisheries Today*, a publication of the Fishery Industry Development Council (FIDC).

The FIDC report said the success of cage culture is adequately validated by several experimental, pilot and commercial cage culture setups in the country.

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CAGE culture basically entails the growing of desirable species in cages constructed of wooden frames and covered with netting materials, floated or submerged in rivers, lakes, reservoirs, protected coves or coastal waters.

Although a relatively recent innovation in the Philippines, cage culture has long been practised in Taiwan and Japan.

Three commercially important species have been attempted for culture in the Philippines in either floating or submerged cages.

These are the jumbo tiger prawn (scientific name *penaeus*

*monodon*), siganids or rabbit-fishes which are called *balawis* in Cebuano and *malago* in Pangasinan, and the common tilapia.

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THE JUMBO tiger prawn or *sugpo*, an acknowledged delicacy and a luxury, is of great demand here and abroad.

*Sugpo*'s culture has been the object of a continuing project of the Southeast Asian Fisheries Development Center (SEAFDEC) in Tibbauan, Iloilo.

SEAFDEC has attempted to rear *sugpo* in experimental net cages at Laguna de Bay, using different supplemental feeds for faster growth.

Siganids have gained considerable attention for their mariculture potentials.

Mariculture, an innovation in the Philippines, is basically an induced spawning of certain species under simulated marine conditions.

The marine biologists of Silliman University in Dumaguete City have been quite successful in induced spawning of siganids.

MSSD TO GRANT LOANS TO PARENTS OF MALNOURISHED CHILDREN

Manila PHILIPPINES DAILY EXPRESS in English 19 Aug 80 p 3

Text 7

THE MINISTRY of Social Services and Development launched yesterday its "Self-Employment Assistance-Kalusugan" project which aims to provide parents of malnourished children with loans to help them engage in food production.

The SEA-Kalusugan project has a P500,000 capitalization which came from donations and from the "payback" of the recipients of the ministry's Paluwagan project, according to MSSD Deputy Minister and officer-in-charge Sylvia P. Montes.

Through loans not exceeding P600, the project will aid parents, who are active members of the parents' committees in their respective day-care centers.

The parents should also have basic technical know-how, and skills to produce nutritious foods utilizing local resources.

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THE PROGRAM will be implemented in eight pilot regions, namely: Region II (Isabela), Region

III (Pampanga), Region IV (Rizal), Region V (Legazpi City, Sorsogon), Region VIII (Leyte), Region IX (Zamboanga City), Region XI (Davao City, Davao del Norte) and Region XII (North Cotabato).

The self-employment thrusts of the ministry stem from its belief that malnutrition is "not due to lack of food or unavailability of food but to the unequal distribution of income wherein the poorest of the poor are left out from the mainstreams of economic development."

Earlier, the ministry launched its Paluwagan project, which extended loans of not more than P600 with a 4-percent annual interest rate, to poor people who have succeeded in increasing their income through self-employment assistance (SEA) projects undertaken by the ministry.

The Paluwagan was in response to the requests of successful SEA clients who wanted to expand their projects to maintain their increased incomes, and whose projects are not covered by the financing programs of banks and lending institutions.

CSO: 4220

BICOL DEVELOPMENT PROJECT READY FOR IMPLEMENTATION

Manila BULLETIN TODAY in English 21 Aug 80 p 10

Text 7

SAN JOSE, Bicol, Camarines Sur—Aug. 20—The integrated health, nutrition and population project of the Bicol River basin development program is ready for implementation.

This was announced by MOH Regional Director Restituto Dagutan who said that P1.6 million has been released for initial implementation of the project which is intended to cover 100 barangays in Camarines Sur and Albay over a 5-year period.

USAID granted the project a \$2.5-million loan. The project will cost around P60 million when completed.

The project aims to raise the quality of life of the rural inhabitants through improved health and nutrition, reduced death rates, reduced occurrence and spread of communicable diseases, maintenance of

population growth at desirable level and achievement of self-reliance by local government units in health and health related services.

The project has two major components. The first component, rural institutional development, consists of recruitment and appointment of barangay health aides to serve as full-time paramedic workers at the barangay level, establishment of "botika sa barangay" or village drugstore in each target and training of pharmacy aides, provision for additional equipments and incentives for nutrition and community development workers, assistance to MOH immunization programs, microscopy entries, and establishment of floating clinics.

The second component, physical health and sanitation develop-

ment, calls for the upgrading of laboratory facilities for water analysis and other laboratory examination of provincial hospitals of Camarines Sur and Albay and the MOH regional public health laboratory; rehabilitation of seven municipal health centers; construction of three bed nutriwards and five nutrihuts in each municipality; and, conduct of a health and environmental sanitation survey of all rural barangays.

In Albay, the first fifteen target barangays include Banao, Bacacay, Gabawon and Mi-su, Daraga; Sua, Camalig, Quibongongan, Guimbalan; Imañod, Legazpi city; Busay, Ligao; Sta. Cruz, Malilipot; Baybay, Malinao, pistola, Oas; Alinog, Pio; Duran; Ceperez; Polangue, Lidong, and Sto. Domingo and Matalindog, Ataingdog, Yiwi. (BBV)

THAILAND

DRAFT 1981 BUDGET SENT TO PARLIAMENT

Bangkok BAN MUANG in Thai 18 Jul 80 pp 1, 16

[Article: "Ministry of Interior Allotted the Most"]

[Text] A draft of the 1981 budget has been sent to parliament. The Ministry of Interior has been allotted the greatest amount, 32 billion baht, followed by the Ministry of Defense with 26 billion baht. As for the secret government funds in the central budget that is controlled by the Ministry of Finance, the total amount is only 213,260,000 baht. These funds do not appear in other budgets. They have been submitted to parliament in accord with the regulations.

The government has submitted a draft of the 1981 budget to parliament. Officials printed documents concerning the total budget and distributed them to the members of the House of People's Representatives and the Senate during yesterday's (17 July) session.

The principle used to draft this budget has been to prepare a budget for the 1981 fiscal year that does not call for expenditures in excess of 140 billion baht. The money to cover the expenditures is to come from reserve funds and treasury reserves. The reason for this is so that the government sectors and state enterprises have a budget for the 1981 fiscal year that they can use as a basis in spending national funds. This is also being done in order to do things in accord with the laws concerning budgetary methods that stipulate that expenditures must be arranged to repay the reserve funds and treasury reserves already spent.

The budgets of the various ministries have been set as follows:

Ministry of Defense, 26,167,509,000 baht; Ministry of Finance, 20,092,319,800 baht; Ministry of Foreign Affairs, 607,041,800 baht; Ministry of Agriculture and Cooperatives, 11,926,147,000 baht; Ministry of Communications, 10,121,488,400 baht; Ministry of Commerce, 308,882,400 baht; Ministry of Interior, 32,338,940,900 baht; Ministry of Justice, 445,791,500 baht; Ministry of Science, Technology and Energy, 1,209,900,200 baht; Ministry of Education, 9,643,957,900 baht; Ministry of Public Health, 5,429,285,500 baht; Ministry of Industry, 675,397,000 baht; and the State University Bureau, 4,019,747,300 baht.

As for the secret government funds in the central expense budget under the control of the Ministry of Finance and the Office of the Budget, which are secret government funds for maintaining the security of the country, they total 213,260,000 baht. They do not appear in the budgets of other sectors.

The draft of the budget has been submitted in accord with the regulations that state that the budget must be submitted to the House of People's Representatives and the Senate so it can be read ahead of time. The minister of finance said that the budget would be submitted around 15 July, which will allow [parliament] time to consider the budget within the time limits stipulated. When the session is concluded, the members of parliament must take with them their copies of the draft of the budget that have been printed.

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CSO: 4207

## THAILAND

### GOVERNMENT STANCE ON INDOCHINA PROBLEMS, HENG SAMRIN QUESTIONED

#### Indian Recognition of PRK Discussed

Bangkok SIAM RAT in Thai 19 Jul 80 p 5

[Article by Khanin Bunsuwan: "India Recognizes the Government of Heng Samrin"]

[Text] The news that India has recognized the government of Heng Samrin has caused great excitement and dismay throughout the world. In particular, the ASEAN countries are puzzled by this and people are unhappy about this.

Why did India announce its recognition of the Heng Samrin government? Many people have their own ideas about this question and they have analyzed the matter differently.

Some people think that the Indian government, under the leadership of Mrs Indira Gandhi, has a very close relationship with the Soviet Union, that the Heng Samrin government is the underling of the Vietnamese and that Vietnam is the underling of the Soviet Union. Thus, India had to recognize the Heng Samrin government in order to please the Soviet Union.

Some people say that Mrs Indira Gandhi is depressed because of the death of her beloved son in an airplane accident and that she is, therefore, doing things like a person who had lost his senses, for example, the announcement of [India's] recognition of the Heng Samrin government.

Many people think that India had to do this for its own survival and security and that it did so in order to use the great power of the Soviet Union to create a balance of power in this region, to protect itself against China and to make it difficult for China to invade India. Also, India and China do not get along with each other and since Vietnam is at odds with China, it is natural that India has sided with Vietnam.

Other people say that India recognized the Heng Samrin government in order to help Vietnam save face since many countries in the world have criticized Vietnam for sending troops into Thailand to kill Thai soldiers and people and for firing guns and destroying the village of Non Mak Mun just prior to that.

And, there are many others who discuss things over coffee, at conferences or in government analytical documents who think that all of this is normal.

But in short, India's recognition of the Heng Samrin government is a major story that is very interesting. At the same time, another very intriguing thing is whether India's recognition of the Heng Samrin government is beneficial or dangerous for Thailand?

That is one thing.

Another question is: How much longer will Thailand continue to recognize the Pol Pot government and, if the Pol Pot government comes to an end, what will we do regarding the Kampuchean government?

As for the first question, at this level I cannot see any danger in India's recognition of the Heng Samrin government or see that it will cause any great harm to Thailand. I may be wrong, however.

The thing I am concerned about is: How much longer will the Pol Pot government continue to exist so we can recognize it and if the Pol Pot government comes to an end, whom will we recognize?

I am worried about this because I know that Thailand must recognize Pol Pot because it cannot recognize Heng Samrin. We cannot recognize Heng Samrin because doing so would be equivalent to our admitting that Vietnam is in total control of all of Kampuchea.

But another problem is whether the Pol Pot government that we recognize still exists or whether it has already gone out of existence.

About 2 or 3 months ago, an economics expert gave a lecture in Singapore. He said that the entire world is calling on Vietnam to withdraw its troops from Kampuchea. But he does not see how Vietnam can withdraw its troops because, at the present time, Kampuchea has really almost ceased to exist and

is like a sick person who is on the verge of death. If Vietnam withdraws, Kampuchea will certainly cease to exist.

And then suddenly, India casually announced that it was recognizing the Heng Samrin government, sending tremors throughout the world.

Does this or does this not show that the Pol Pot government has presently ceased to exist and that the Heng Samrin government is just a Khmer mask and skin covering a Vietnamese body?

Can it be that India has just learned the truth of this and that when it found out that Pol Pot no longer existed and that there was really no Kampuchean who could liberate the country from the Vietnamese, it immediately recognized Heng Samrin? Why, after all, should it support something that does not exist?

And isn't it possible that Thailand too knows the truth of this and that it continues to act as if this were not true and that it continues to recognize the Pol Pot government even though it knows that the Pol Pot government no longer exists because it cannot recognize the Heng Samrin government?

The position of India and Thailand in the matter of recognizing Kampuchea differs here:

The difference is that when India learned that Pol Pot was finished, it turned and recognized Heng Samrin even though it knew that Heng Samrin is controlled by the Vietnamese.

But as for Thailand, even though it knows that Pol Pot is finished, it cannot recognize Heng Samrin because it knows that Heng Samrin is controlled by the Vietnamese.

By announcing its recognition of the Heng Samrin government, India loses nothing and may even benefit.

But if Thailand recognizes the Heng Samrin government at this time, we can only lose.

Thus, don't we have to continue to recognize Pol Pot?

#### Need to Avoid War Discussed

Bangkok SIAM RAT in Thai 19 Jul 80 p 3

[Text] Dr Somchai Rakwichit has warned the government not to get involved in the prolonged war in Kampuchea. If we become

involved, it will be dangerous for the country and we will fall victim to the people's war desired by China and the Communist Party of Thailand. He said that Thailand should remain strictly neutral and that it must resolutely refrain from supporting either side.

Dr Somchai Rakwichit, a former researcher for the ISOC, talked about Thailand's foreign policy and the political trends in Thailand during a lecture on "Economic and Political Trends" given at the Sheraton Hotel on the evening of 17 July. He talked about the choices that Thailand has in setting a foreign military strategy. He stated that, in the present situation in which Thailand is encountering problems along the Kampuchean border, Thailand really has only two choices concerning this problem: a policy of prolonging the war or a policy of reducing the tensions.

Dr Somchai stated too that as for the policy of prolonging the war in Kampuchea, which is what China and the United States want, this is very dangerous for Thai society because, at present, the Communist Party of Thailand, with the support of the Chinese Communist Party, is waging a people's war and is appealing to all sectors, including the government, the military and the united front at all echelons, to unite against Vietnam. If Thailand "falls" for this, Thailand will become an even greater enemy of Vietnam and if it comes to the point where it is necessary to use a large military force to fight the Vietnamese, the national economy and the entire social system will crumble. When that happens, the communist party, which is quiet at present, will have an opportunity to destroy things and easily seize power.

As for the strategy of reducing tensions, Thailand must remain neutral and not become involved in the war. At the same time, it must do its utmost to develop the country. When the country is strong, we will not have to fear anything, regardless of whether the danger is from the communists inside or outside the country. This, therefore, is the best path for Thailand. Thailand's foreign policy should be improved.

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THAILAND

COMMENTARIES DISCUSS PROBLEMS IN MUSLIM SOUTH

More Information Needed

Bangkok SIAM RAT in Thai 16 Jul 80 p 8

[Article by Nara Na Khaokong: "Suppressing the Terrorists In the Three Southern Provinces"]

[Text] The terrorists in the three southern provinces are seriously threatening the safety of the people and the security of the country.

But, it does not look like the suppression activities will achieve results in any reasonable amount of time. Even worse, the actions of these terrorists, about which there are frequent news reports, have made us realize that it will be difficult for the suppression activities to achieve conclusive results even if they are carried on for a long period.

I have had the opportunity to hear a high-ranking person who is involved in the suppression activities speak at several different places about why the suppression activities have not achieved results. He said that the reason is that the suppression units have not been able to obtain information about the movements of the terrorists or, if they have obtained such information, it has been obtained too late. Conversely, the terrorists have obtained better information about the movements of the authorities and this has constantly made the authorities still targets for the terrorists.

We can easily translate this as meaning the the authorities in the suppression units have been defeated by the terrorists concerning an important element of military strategy.

This matter of obtaining information about the movements of the terrorists is not in accord with what was said at the beginning. It clearly shows that administrative control in the

three southern provinces is very loose. At the same time, it shows that the power of the terrorists is very great. They can move secretly out of their camps. This is the state of affairs with regard to the [ability] of the authorities to obtain information. If this continues, the thing that will happen is that administrative control in the three southern provinces will come to an end.

Looking back at a similar situation in the 1947-1950 period, concerning the terrorist activities of the terrorists in the three southern provinces, it can be seen that the situation was just as bad then as it is now. The only thing is that, during that period, there were no kidnappings. But there was sabotage, ambushes of and clashes with the authorities, extortion of protection money and killing of people whom the terrorists regarded as enemies.

Another difference is that terrorist suppression activities in that period were carried on only by the provincial police and rural area administrative units. There were no soldiers, border patrol police, Regional Security Volunteers or communications equipment. The head of the suppression unit was just a police first lieutenant.

But the suppression activities achieved such results that the terrorists gave up their activities for more than 10 years.

There are two important aspects to the suppression activities of that period. First, intelligence gathering was excellent and, second, the forces used to carry out the suppression activities were established as special action units that worked in particular areas only. There were no transfers, except when reinforcements were sent when the special action units encountered a situation beyond their capabilities.

The intelligence gathering activities of the suppression sector were carried on by the special action units in each area. These units went and mixed with the villagers in the terrorist areas. They had a good intelligence network and they were honest and sincere with the people. The people came to have confidence in the efficiency of the suppression sector. During that period, it can almost be said that if terrorists entered an area in the morning, by evening the suppression forces knew about this and engaged them in combat. This led to the suppression activities obtaining such good results that the terrorists could no longer fight. Great numbers of them surrendered and those who did not surrender fled in droves to Malaysia at that time.

Turning back to our present suppression activities, it can be seen that the intelligence gathering activities have not achieved results, as the high-ranking person in the suppression sector admitted as mentioned above. As for the deployment of the forces, it appears that the suppression forces are composed of officials from several sectors. There are police, soldiers, Regional Security Volunteers and so on. The officials in the different sectors often have different views and look at the problems differently. There have been frequent reports of disagreements among the officials in the various forces and they put the blame on each other whenever some blunder is made. Orders are not given resolutely and there is hesitation and uncertainty. There are constant conflicts about decisions and there are even arbitrary decisions for one's own benefit. Even worse, forces are frequently rotated. A regional force that has gone into an area and become familiar with the villagers is rotated [out of the area].

The new force goes in but before it can build a reputation, it is a standing target for the terrorists.

Terrorist suppression activities should not be carried on in the same way as border defense activities because the troops stationed along the border can clearly see who the enemy is since the enemy is the armed troops of the opposing side. Thus, rotating forces is not unusual. However, terrorist suppression activities must rely on the people and the individuals who can get along with the people are individuals whom the people trust. But how can forces that stay in an area only a short period get to know the people or build trust? We have, therefore, been defeated with this strategy of gathering intelligence.

In short, our weakness is in intelligence gathering and in the way we station forces in the rural areas. They are rotated constantly and cannot build a good reputation.

Concerning intelligence gathering, this writer feels that the system should be changed from an "intelligence gathering" system to an "intelligence buying" system. We must spend large sums of money on this because it is only money that can bring victory. This writer believes that when we start using the "intelligence buying" system by definitely stipulating how much will be paid for what types of information, information will definitely start pouring in because only money can buy people's hearts. Thus, we should not feel sorry about spending money for this because, in return for the money spent on this, we will save the lives and property of the people and authorities.

As for the forces stationed in the various regions, they should not be rotated very often or at very short intervals because they cannot become familiar with the region or the terrain and this is not good.

We should advance along the trail made by past suppression officials.

However, concerning terrorist suppression activities in the three southern provinces, we must firmly realize that if we continue to allow the terrorists to be the ones to determine the fate of the people, sooner or later the fate of the three southern provinces will grow even darker.

Clandestine Radio Station

Bangkok DAO SIAM in Thai 17 Jul 80 pp 1, 6

[Text] Terrorists in the south have very boldly set up an illegal radio station to call for ransom money in all the provinces. The power workers have sent representatives to meet with the commanding general of the Fourth Army Area to ask for help for their fellow workers who have been taken hostage. In this period, the workers in the three provinces are losing their morale and, if plans are not made to protect them, they may abandon their jobs because of the [lack of] safety. The governor has expressed his sadness over the fact that the terrorists have a radio to use but resolute measures are being taken to suppress them.

Concerning the case of a group of southern terrorist separatists closing the highway at Arumae village in Bacho commune, Narathiwat Province, and forcing dozens of passengers to get out of the bus and recite the Samayang prayer [an Islamic prayer] in order to determine which people were Thai Buddhists, it appears that seven passengers, who were Thai Buddhists, could not recite the prayer. They were placed under guard and taken away. The seven were Mr Sukit Aranyanat, the deputy district officer of Mayo district in Pattani Province; Mr Suchit Rattanachan; Mr Sophon Suwannaphak, a power statistics official in Pattani; Sergeant Suchat Phongmibun, a soldier with the 5th Division at the Senanarong camp in Hatyai; Sergeant Thirawut Bunkaeocharoen, a recruiting officer in Thungyangdaeng district, Pattanit province; Miss Chulirat Phumsiri, a student in the commerce department at the Yuwanit School in Pattanit; and Miss Wilailak Silapasit, a student at the same school. This took place on 14 July as has already been reported.

Then, at 1200 hours on 15 July, the terrorists used a sideband radio to contact all the work places of the power workers in the three southern provinces. They claimed they were an illegal station and called their station the "secret Biso radio station." The speaker, a woman, told Mr Chan Roengrit, the director of the Pattani [State] Power [Enterprise], to pay 40,000 baht for the release of Mr Suchit and Mr Sophon. He was told to take [the money] to the area where the people had been captured. But while preparations were being made to do this, at 1400 hours on the same day, a radio broadcast said that [the terrorists] did not want money. Instead, Mr Chan was to come and become a hostage in place of the other two people. Also, he was told not to report this to the authorities and that, if he did, all the hostages would be killed.

While this communication was underway, power officials tape recorded the broadcast, using three rolls of tape. Later, Miss Sophit Sukchok, a representative for the power workers in Region 3, Khaotum commune, Yarang district, Pattani Province, which is the work area of the two people who were kidnapped, went and met with Lieutenant General Chuan Wannarat, the commanding general of the Fourth Army Area who was making an inspection in Pattani Province, to ask him to help her fellow workers. At the same time, she turned over the tapes of the terrorist broadcast as data for study. The power workers in the three southern provinces -- Pattani, Yala and Narathiwat -- are becoming more and more afraid because they fear for their personal safety at work. This has caused the power program in the rural areas of Pattani to come to a halt. All the workers have appealed to the government to quickly take action to provide help and protection. It is expected that if the authorities cannot make things safe for the workers, worker unrest may become even worse.

Mr Prida Muttaharat, the governor of Pattani Province, has answered reporters' questions about this case. He stated that it is alarming that the terrorists have been able to set up a radio station but that it is still possible to suppress them and make things peaceful. Plans for holding another meeting will be made. Besides this, he denied that the power workers in Pattani Province have left their jobs because there have been no reports of this. But efforts are being made to solve the problem.

## Extortion Payments

Bangkok DAO SIAM in Thai 18 Jul 80 pp 1, 16

[Excerpt] A reporter for the newspaper DAO SIAM has reported on the serious disturbances caused by the terrorists, the latest incident being the waylaying of a bus. They took the Thai Buddhists into the forest -- we still do not know their fate -- and then set up an illegal radio station to establish direct communications with power officials in Region 3 in order to bargain for these hostages. Concerning this case, the reporter stated that this is the first thing that has caused people to suspect that officials in this sector are almost certainly members of the terrorist group. Otherwise, how could the terrorists know the proper frequency of the single sideband radio. Also, based on questioning of the local radio officials in Pattani, Narathiwat and Yala provinces, it is unanimously agreed that the terrorists will continue to try to set up other such radio stations if this is not suppressed right at the start and they will easily be able to start broadcasting on the A.M. system in order to later mobilize the masses in all four southern provinces.

Furthermore, the reporter also reported that, at present, in Yala, Pattani and Narathiwat, the local radio stations cannot broadcast clearly as in the past because of the interference from the terrorist radio, which secretly carries on jamming 24 hours a day.

Later, the reporter sent an urgent report to the offices of DAO SIAM. The report stated that the terrorists have started carrying out serious acts of terrorism in Baro commune, Raman district, Yala Province. They have illegally disseminated leaflets in the villages forcefully telling all the Thai Buddhists to quickly move away from Raman district by the end of July. Those who fail to move will all be killed, including monks.

Later, the reporter went to find out what the situation is like in Yala Province. He met with Pilot Officer Nisit Alaphat, the deputy governor of the province, and asked him about the leaflets distributed by the terrorists. He was told that no reports had been made about this but that it was an interesting matter and that efforts will be made to solve any problem that arises. At the same time, the workers in the forestry and mining sectors sent a note to the provincial forestry [division] and the National Land Resources [Office] requesting

permission to cease work temporarily. They claimed that they could no longer keep on paying more than 10 million baht a year, from each company, to the terrorists, which is equivalent to helping the terrorists have the strength to cause such trouble over an even wider area.

### Prem Prai and Islamic Nations' Cooperation

Bangkok SIAM RAT in Thai 18 Jul 80 pp 1, 12

[Excerpt] The government has begun to take the problem of crime in the south really seriously after admitting that foreign countries are behind such terrorist activities in the three provinces. The prime minister has ordered the military and police to cooperate fully with each other in suppressing the terrorists and to cooperate with the Ministry of Foreign Affairs, which is making a great effort to make several countries understand the situation.

General Prem Tinsulanon, the prime minister, issued this order after a major conference at his government office yesterday in order to find a way to solve the terrible crime problem in Yala, Narathiwat and Pattani provinces.

Those attending the conference included Air Chief Marshal Siddhi Savetsila, the minister of foreign affairs, General San Chitpatima, the deputy commander in chief of the army, General Prayut Charumani, the chief of staff of the army, Lieutenant General Thienchai Sirisamphan, an army advisor, Lieutenant General Chuan Wannarat, the commanding general of the Fourth Army Area, Mr Pratuang Kiratibutra, the minister of interior, Mr Banyat Bantadtan, deputy minister of interior, Mr Kasem Sirisamphan, deputy minister of interior and Police General Monchai Phankhongchun, the director-general of the Police Department. Also attending were eight MP's from the three southern provinces. The conference lasted 3 hours.

General Prem Tinsulanon, the prime minister, disclosed that the result of the conference is that the government has ordered the Minister of Interior and the Police Department to immediately take action to suppress crime in these three provinces starting today. As for the proposals of the MP's, they were considered and measures were quickly taken.

As for whether or not this serious situation has arisen because of foreign support for the terrorists, the prime minister stated that there may be other people who are instigating and providing help because modern methods are

being used, but most of the Muslim countries understand the situation and are cooperating satisfactorily with the government. But at the same time, he has entrusted the minister of foreign affairs with the task of finding a way to make some Muslim countries understand the situation in our country. This will take time.

The prime minister admitted that, concerning the terrorist problem in the south, some government officials may have played a part in creating the difficulties. These problems must be solved and they will be solved quickly.

A news report stated that at this conference, the MPs from the three southern provinces proposed that the government quickly implement the following six things:

1. The principle of "politics leads the military" must be implemented immediately in a resolute manner in order to immediately suppress [the terrorists] at the critical spots.
2. There must be close cooperation between the police, the military and the administrative units.
3. Suppression equipment must be provided and, in particular, the morale of the officials must be improved.
4. Great emphasis must be placed on the economic development of the localities.
5. Good officials who have ability and who are sincere with the people must be appointed to work in these areas.
6. A special organization must be established in order to solve the problems in the three southern provinces in an efficient manner. Thus, it must be a principle that a high-ranking politician must serve as the policy supervisor and as the person who monitors the results of the activities. The local administrators concerned must be the people who carry out the work and the local leaders must play a part in solving the problems.

Lieutenant General Thienchai Sirisamphan, an army advisor, granted an interview. He stated that the actions of the terrorists in the three southern provinces have become much more serious because they are definitely receiving support from abroad. In particular, the terrorists have been able to set up an illegal radio station in order to broadcast calls for extortion money from the people and they are able to broadcast on the same frequencies as the government.

"These problems cannot be solved easily. In particular, the inability of the officials to get along with the people is a problem that must be solved quickly," stated Lieutenant General Thienchai. He also disclosed that, at present, the

military is carrying on operations in several places but nothing can be said about these operations because of possible political effects.

#### Interior Officials, MPS Comment

Bangkok TAWAN SIAM in Thai 18 Jul 80 pp 1, 16

[Excerpts] Mr Banyat Bantadtan, the deputy minister of interior, was interviewed on the situation in the southern provinces of Yala, Pattani and Narathiwat. He stated that the situation has become more serious and difficult and, therefore, several things can be assumed about what has happened. First, when the prime minister recently made an official trip to the south, he ordered that the terrorists resolutely be suppressed. This in turn caused the various terrorist groups to take retaliatory action. Second, the terrorists are carrying out violent acts with the hope of obtaining foreign support.

Mr Banyat further stated that, today, he, together with MPS from the three southern provinces, the deputy undersecretary of the Ministry of Interior, the director-general of the Department of Local Administration and the officials concerned, will travel to the three southern provinces to observe the situation there.

The reporter asked him about the news that, after the combat activities of the border patrol police were turned over to the military, the border patrol police and the military [encountered problems] concerning suppressing the terrorists. And he asked how these problems would be solved. Mr Banyat replied that the suppression activities had not encountered any problems. The authorities have carried out things fully. However, the terrorists have begun to carry out more serious acts because the various terrorist groups have begun to declare themselves and the foreign countries that are providing support for the terrorists have begun to reveal themselves too. As for the incident in which terrorists kidnapped the deputy district officer of Mayo district, teachers and students, at present, the authorities are actively pursuing the matter but because the terrain in the south is [mostly] jungle, they have been hindered somewhat in carrying out things.

He was then asked whether the actions that have taken place in the three southern provinces were carried out by the terrorist separatists or the communists. Mr Banyat stated that most have been carried out by the terrorist separatists

but he does not know their exact strength. From what is known, they are not too strong but they have been able to destroy the morale of the villagers, which is something that must be corrected in solving this problem.

Mr Kamthorn Lacharot, an MP from Pattani and a member of the Democratic Siam Party, talked to the reporter about the matter of MPs from the four southern provinces meeting with the prime minister in order to receive a response to the proposals submitted to the prime minister by the southern MPs in order to quickly solve the southern problem.

Mr Kamthorn also stated that the problem has been a chronic problem ever since a former government made mistakes -- back in 1975 and 1976 when former minister Bunloet Lootpricha was deputy minister of interior. He made several mistakes concerning the various bandit groups. Ever since then, the government has failed to give attention to the situation in the south. Several terrorist groups have come into being with each group having a different amount of influence. The region has smoldered for a long time with terrorist separatists, communist terrorists, Pulo terrorists and terrorists in uniform. These are major problems. By the time General Kriangsak formed a government, several governments had talked about the southern problem, commissions had been established and units [set up] to consider the south had considered the data but none of them were really able to solve the problems.

Since General Prem took over as prime minister, the southern problem has become even more serious. Pulo, the group that has received support from Libya, has caused disturbances by setting off bombs, kidnapping government officials and holding them for ransom, ambushing officials, burning down government buildings and schools and causing conflicts between Thai Buddhists and Thai Muslims in order to start a religious war. These things have made it impossible for his group and the MPs of the four southern provinces to remain quiet. It is essential that the government quickly solve the problems.

The proposals submitted to the prime minister by the MPs from the four southern provinces were as follows: They asked the government to resolutely solve the southern problem, to quickly suppress [the terrorists] and to solve the problems concerning the country's authorities, including the police, government officials and civilians, who work in the south so that they carry out their duties in a really responsible way and have contact with the people so that the people in the

south see that they are Thais living in Thailand, so that they create a good image and so that they are aware of the fact that the people in the four southern provinces are very important to Thailand. [The MPs also asked] that the bad officials be removed from the south.

Mr Kamthorn was also asked whether it was true or not that the bombings in the south are the work of Pulo or the Pattani Youth Group. Concerning this matter, Mr Kamthorn stated that it is certainly possible that the bombings are the work of the Pattani Youth Group. This group is causing disturbances in the south and trying to create a split between the Thai Buddhists and the Thai Muslims by committing crimes and shooting Thai Buddhists and then claiming that it was Muslims who did the killing. This Pulo group has received support from Libya.

Mr Kamthorn further stated that the terrorist groups with the greatest influence at present are the Hayi Samaee group in Pattani and the Pulo group, which has its base camps in the Budo mountains. The terrorists have divided up this area and they move along the mountain range. At various times they may live in Pattani, Narathiwat or Yala provinces; they never remain in one place. The Budo mountain range is very long and this makes it very difficult to carry on suppression activities. The actions of the Pulo terrorists have also caused fear among the Muslim people. The Muslim people detest this terrorist group but circumstances have forced them to come under the influence of this terrorist group since the Muslim people have not been given any attention by the authorities in the country and the authorities have not been able to protect them. Thus, this too must be corrected so that the Muslim people have confidence that the government has the capabilities to protect them.

In carrying out acts to cause trouble for the people, the terrorist separatists have committed bold acts almost daily. They have captured Thai Buddhists and cruelly killed them. In the latest incident, terrorist separatists (communist terrorists) boldly waylaid a bus on the Narathiwat-Hatyai route between Talubae and Miyo villages in Bacho district, Narathiwat Province. They took hostage seven of the passengers, including government officials, teachers, soldiers and students, and fled into the jungle.

The authorities mobilized N.P.P police, provincial police and marine unit 393 to pursue the terrorists unrelentingly in order to help the victims. But, at present, their fate remains unknown.

Concerning present events in the southern provinces of Yala, Pattani and Narathiwat, government workers and teachers who work in the rural areas have all gone on strike. This has caused confusion and great trouble for government officials because they do not know what to do when something like this occurs.

At the same time, the Minister of Interior has received a report concerning serious incidents that may occur. At the same time, Mr Banyat Bantadtan, the deputy minister of interior, and his group will leave on 18 July to inspect the situation in order to try to find a way to solve the problems and establish suppression measures.

#### Anti-Separatist Operations In Yala

BANGKOK DAO SIAM in Thai 19 Jul 80 pp 1, 2

[Text] Heavy strikes have been made against the southern separatists. Soldiers and police have mobilized forces together with artillery and helicopters to conduct sweep operations using a three-pronged attack. The terrorists have abandoned their camps and fled into the jungle. Their camps and large amounts of military equipment have been seized. A major clash is expected. Thus far, no officials have been killed. As for the terrorists, only traces of blood have been found and it is thought that people have been killed and wounded. The people have complained that the government has not carried out the suppression activities resolutely and that it provides help only when something major happens. Besides this, southern MPs in particular have not provided help or realized the nature of the situation. They have not worked to solve the problems but have only sought votes. The commanding general of the Fourth Army Area has disclosed that efforts are being made to find a way to help the hostages that were taken and to destroy the illegal radio station. The deputy minister of interior has made an urgent trip to Yala.

Terrorist separatists took seven Thai Buddhists captive, among whom were a deputy district officer, soldiers, students and power workers, while they were travelling in Narathiwat Province. Later, the terrorists broadcast demands over an illegal radio called "biso." They demanded a ransom of 40,000 baht for the two power workers. This is considered to be a very bold act aimed at creating great fear among the Thai

Buddhists in the three southern provinces. The high-ranking officials responsible, such as Lieutenant General Chuan Wannarat, the commanding general of the Fourth Army Area, have together formulated a plan to suppress [the terrorists] in accord with the order of General Prem Tinsulanon.

On 17 July in Yala Province, which is an area where the terrorists have carried out very serious acts, Lieutenant General Chuan Wannarat ordered military and police officials to search for the location of the illegal "biso" radio station of the terrorists. He also ordered police officials in Region 3 to report the frequency of this radio in order to send forces to destroy it. In carrying out this operation, the officials have divided the forces into three groups, with the main force composed of three platoons of police from the N.P.P. police unit in Yala Province and police from Muang, Bannangsata and Yaha district police stations, with a total of 150 men. They will be supported by soldiers from the chemical and artillery units and by helicopter gunships from the Ingkhayut Borihan camp in Bothong commune, Muang district, Yala Province. They will conduct operations to clear out the terrorists in the area where Muang, Yaha and Bannangsata districts come together.

Then, at 1000 hours on 18 July, the first force, composed of a platoon of the Yungthong N.P.P. police unit led by Police Sergeant Major Somphien Eksomthong, came upon a terrorist stronghold in a deep cave in the mountains in Bannangsata district. It appears that when the government forces attacked there, the terrorists all retreated and, therefore, the government forces were able to seize the camp without any losses. Sleeping quarters capable of sleeping approximately 40 people and a quantity of food and medicine were found. As for the second group led by Police Sergeant Major Sangop Buaphan of the Sua Dao N.P.P. unit, it attacked in the mountains in Sa Eh commune, Muang district, Yala Province, where it had been learned that approximately 100 B.R.N. [Barisan Revolusi Nasional] terrorists of Mr Salari Thanam, which is the terrorist group that recently attacked and burned the Kuyae village school, were staying. This camp was located in a very favorable site hidden deep in the mountains and it was difficult to reach and attack. By the time the authorities reached this camp, the terrorists had retreated. The authorities seized large quantities of food, medicines and sleeping equipment.

The third group, which attacked in Yala district, had to use artillery to demolish the terrorist camp at village 4, Pratae commune. It appears that one artillery shell hit in the middle of the camp. The terrorists fled in panic, leaving behind large quantities of various types of things. The government forces, composed of a Chaladam unit of N.P.P. police led by Police Sergeant Major Dieng Chundaeng, entered and found 30 barracks capable of housing approximately 70 to 80 people. During this sweep operation, Police Colonel Chinda Saisingthong, the Yala provincial police commander, went and closely supervised the suppression operation. It is understood that there may be heavy fighting between the government forces and these terrorists because the sweep operation was carried out with great surprise and the terrorists who fled in disorder are still very near the government forces.

Concerning this terrorist suppression operation in the south, the people have criticized the government for not carrying on suppression operations resolutely unless something serious happens first. Only when something serious happens will forces be sent. For example, when Miss Sombun Rawangwong, a teacher at the Katong village school, was taken hostage, the authorities met with the teachers who were striking. This affair seemed like it could become more serious and, therefore, they sent forces to suppress [the terrorists]. But when things subsided, the troops returned without having cleared out all the terrorists. Also, none of the MPs from the southern provinces have ever shown any interest in doing something about this situation. In particular, concerning Mr Banyat Banthadtan, the deputy minister of interior who made a trip here to try to find a way to solve the problems, the people insist that there is no way that he can solve the problems because he does not know the facts and he is not familiar with the various problems.

A news report has stated that 70 families from the village of Sako in Sirisakon subdistrict have fled from these terrorist separatists and asked for protection from border patrol police forces, who have set up a defense point at Wat Ruso in Ruso district, Narathiwat Province. These honest people fled because the terrorists have caused so many serious disturbances, including killing people and stealing property, that they could no longer bear it.

As for Mr Banyat Banthadtan, the deputy minister of interior who made an urgent trip to the south, he left Don Muang airport on a Thai Airways flight at 1800 hours on 18 July. He stopped in Hatyai one night and then continued on to Yala

on 19 July. Police Lieutenant General Amphorn Chitpatima, the commissioner of the provincial 4 and the person who planned Mr Banyat's entire itinerary, was waiting for him.

Colonel Somsak Intharaphon, who is stationed with the National Central Security Command, talked with a reporter about the Malaysian communist guerrilla situation. He stated that between 19 June and 16 July, there have been two serious clashes. Three soldiers have been killed and four have been wounded. One Malaysian communist guerrilla has been killed.

Colonel Somsak further stated that these clashes between the military forces and the Malaysian communist guerrillas arose because of the operations carried out in accord with military plan 803 B. These operations were conducted in Thanto subdistrict, Betong district, Yala Province. The two clashes took place on 27 June and 12 July in Anyewen commune, Betong district, Yala Province.

As for the situation with regard to the general activities of the Malaysian communist guerrillas in the southern border provinces during this period, they have carried out operations to obtain provisions and information about the movements of [government] officials. They have threatened the people to the point where the people are afraid. They have given much attention to extorting protection money from people engaged in various business enterprises in the area, for example, from people engaged in mining and forestry and from road construction contractors.

Besides this, operations to suppress the Malaysian communist guerrillas have been conducted in accord with the Jaya-1 military plan, which is a joint Thai-Malaysian military plan, that was implemented in the Khap Kieu area in Bannangata district, Yala Province, Thailand, and in the Malaysian state of Kedah. The operation started on 5 July but it appears that there has been only one incident. Malaysian troops were attacked by Malaysian communist guerrillas in the mountains along the Thai-Malaysian border and two of the soldiers were wounded.

Colonel Somsak added that, during this period, communist terrorists ambushed officials in Thuangmo commune, Sadao district, Songkhla Province on two separate occasions and ambushed officials in Khao Daeng commune, Sabayoi district, Songkhla Province, once. However, it appears that no government officials were killed during these attacks.

## Threats in Narathiwat, Yala

Bangkok DAO SIAM in Thai 20 Jul 80 pp 1, 2

[Text] The terrorist separatists in the south have shown great power and attacked police stations in three large districts in Yala Province. The police commissioner of Region 12 has ordered the chief inspectors in Yala, Pattani and Narathiwat to provide wholehearted help for the seven victims of the terrorists. The two main leaders of "Pulo" and the "B.R.N." are the "brains" of the terrorists. They are issuing orders from Malaysia in order to announce the first religious "D Day" in accord with the plan to separate the southern region by 1982 as stipulated.

The terrorists in the south have become much more aggressive and have instigated incidents in Pattani, Yala and Narathiwat provinces. This is causing trouble for all the Thai Buddhists here. In the latest incident, the terrorists stopped a bus on the Pattani-Narathiwat route and kidnapped seven passengers. The fate of these people is still not known. Besides this, they have boldly disseminated leaflets warning the Thai Buddhists in the districts to move elsewhere unless they all want to be killed. The government has had to send forces to destroy the camps, as we have previously reported.

Later, the DAO SIAM reporter in Yala Province reported that at 0800 hours on 19 July, Police Major General Nakhon Phromchai, the police commissioner of Region 12, made an urgent radio call from Songkhla Province ordering police from Pattani, Narathiwat and Yala provinces to cooperate in searching for the seven victims of the terrorists, whose fate is still not known, because it is feared that the terrorists will break through the encirclement somewhere and take them across the border into Malaysia. After receiving this order, Police Colonel Chinda Saisingthong, the police commander of Yala Province, ordered the chief inspectors in each district in Yala Province to resolutely carry on suppression activities. Tens of detectives have been sent out and ordered to attack the terrorists immediately if they find out where they are hiding. Already, the police have mobilized forces to conduct searches in each commune and village but the exact hiding place of the terrorists who kidnapped these people is still not known.

As for what is behind these disturbances caused by the terrorists, the reporter also reported that he had talked with a high-ranking suppression official and that this

official told him that the terrorists have joined together and announced the first religious "D Day" in order to separate the three southern provinces by the target date of 1982. The "big brains" and the people who have formulated the plans are Tuan Kubilo Khokhoroni, the head of the Pulo terrorists, and Mr Utsatat Karim, the head of the B.R.N. terrorists. These two direct things from Kelantan State in Malaysia. From here they have issued orders to their armed forces in the three southern provinces to cause serious disturbances. They have also recruited others to join the movement and made plans for obtaining provisions and causing serious disturbances. They have recruited others to join the movement, made plans for obtaining supplies and money to provide suitable support to the group and had these people follow the plans to create serious disturbances. At the same time, they have carried out a line similar to that of the Palestinian guerrillas. They are trying to generate interest among other countries in order to have a united front country to provide a base of support for the movement. They will then take the matter before the United Nations with the hope of being able to separate the southern provinces [from the rest of Thailand] in accord with their desires.

As for the violence in Yala Province, it appears that the terrorists have sent threatening letters and spread information through the villagers to the police authorities to the effect that if the authorities persist in such violent suppression activities, they will attack and completely destroy the provincial police stations in Bannangsata, Raman and Yaha districts in the near future. Concerning these letters and this information, Police Major Sanit Thiengthong, the chief inspector at the Bannangsata district police station, has affirmed that they are real because he himself has received a letter. As for the three provincial police stations that the terrorists have threatened to destroy, the Raman district station is located in very unfavorable terrain and it is at a disadvantage in fighting. However, the Yala provincial police authorities, together with a strong force, have made defense arrangements, they are vigilant and their morale and spirit are excellent.

At 0800 hours on 19 July, Mr Banyat Banthadtan, the deputy minister of interior, Mr Damrong Sunthonsarathun, the director-general of the Department of Local Administration, and their group left Hatyai in two Police Department helicopters. They went to the Pattani provincial city hall, where they were welcomed by Mr Prida Muttaharat, the

provincial governor, and other government officials, and listened to a summary of what has taken place. At that time, Mr Banyat stated that in suppressing the terrorists, "politics will lead the military" but, on occasion, the military may lead politics if the terrorists carry out heavy attacks. Besides this, all government officials must carry out psychological operations activities among the people.

Then, at 1000 hours on the same day, Mr Banyat told a reporter that this official inspection trip is being made at a time when terrorists are threatening the three southern provinces of Narathiwat, Pattani and Yala. These threats are lowering the morale of the officials and people. All sectors have held conferences. It seems that [we] cannot remain passive since the terrorists can make serious attacks because of the support they are receiving from abroad. Concerning suppressing the terrorists, resolute measures must be taken if good results are to be obtained. However, the most important thing is that the "intelligence" must be correct and not erroneous. Besides this, it is important to improve morale. The administrative sector is ready to provide support. When a province requests help, there should not be any hesitation. Mr Banyat stated in conclusion that he is certain that it will be possible to solve the problems in the three southern provinces in the near future.

Mr Damrong Sunthonsarathun disclosed that, concerning this matter, the equipment of the state must be improved so that there is greater efficiency in carrying out the tasks and all sectors must cooperate. Great care must be taken to prevent racial conflicts and good relations between both sides must be built. After the interview was concluded, Mr Banyat and his group travelled to Bacho district in Narathiwat Province in order to inspect things and visit the people.

#### Editorial Supports Political Solution

Bangkok SIAM RAT in Thai 19 Jul 80 p 5

[Text] Finally, the prime minister has ordered all people responsible to really cooperate in solving the dangerous problems in the south. These measures were taken after the prime minister discussed matters with high-ranking military, police and civilian officials.

The problems in the south are perplexing and they stem from many things. Because of the richness of the southern provinces, people have tried to gain political and economic

power here. Concerning the political elements, there are the communist terrorists, the Chinese guerrillas and the terrorist separatists. Then there are the robbers and other common criminals such as kidnappers who take hostages for ransom and so on. Concerning trade, there is the illegal cutting of timber, the illegal mining activities, the illegal trading activities and the many kinds of goods for which taxes are not paid. These are chronic problems which cause the southern region to be in a constant state of turmoil.

Furthermore, something that cannot be denied is that not only can the lax and inefficient state apparatus not solve the problems, many times it itself has been the cause of the problems and the factor that has caused the situation to become worse.

We ask the government to give attention to the memorandum submitted by MPs from the three southern provinces. In the memorandum it was mentioned that, at present, "the morale of the merchants, people and government employees in general has declined" and "those with bad intentions toward the country are trying to cause incidents that will destroy the solidarity of the people." The latest problem is that some people are trying to create religious divisions. This is a problem that the government must solve as quickly as possible.

Concerning the matter of establishing a special organization to study ways of solving the problems in the three southern provinces, which is one of the six points proposed by the MPs for solving the problems, we feel that the government should do this immediately and not waste any more time because we must find out what the root causes of the problems of these provinces are for sure. Is it because the terrorists are receiving support from foreign organizations or organizations within the country or is it because of "destructive elements" originating from within the state apparatus itself?

A news report has stated that at present, the terrorists are capable of using the same radio frequencies as the government, which are secret radio frequencies. This is worrisome. An investigation should be carried out to determine for certain whether or not the state apparatus has been damaged.

Finally, we support the government's measures aimed at using politics as the way to solve the problems in the general situation and using the military immediately at critical

points. Also, it should not be forgotten that it is only responsible and honest officials who can restore calm to the south as we all hope for.

#### Anti-Buddhist Terrorism Cited

Bangkok TAWAN SIAM in Thai 19 Jul 80 p 2

[Text] Mr Prathuang Kiratibutra, the minister of interior, was interviewed by a reporter concerning the southern terrorist separatists who are causing serious disturbances at present. He stated that this is not very serious. When the authorities mobilized forces to carry out strong suppression activities, there was just a loud reaction to this [by the terrorists].

People who have constantly followed the news about the situation in the southern provinces probably have to admit that the terrorism of the terrorist separatists known as Pulo and of other terrorist groups have increased in seriousness and violence. In particular, in June, they sent forces to attack and shoot Buddhist monks and Thais of the Buddhist faith at religious places. They raided rubber plantations, seizing 11 Thai Buddhists and killing eight. In the latest incident, they stopped a bus along the Hatyai-Narathiwat route and seized a deputy district officer, power officials, soldiers and students. At present, no one knows the fate of these people.

In reality, the behavior of the terrorist separatists since the beginning has clearly shown that they intend to harm or cause trouble mainly for Thai Buddhists. It has reached the point where they have printed leaflets warning the Thai Buddhists to leave the three southern provinces, Pattani, Yala and Narathiwat, and distributed them openly. There have been robberies and killings and protection money has been extorted from Thai Buddhists. This is the reason why the Thai Buddhists in the three southern provinces are very afraid and troubled. They cannot make a living in peace as usual.

At present, the terrorist separatists are carrying out acts that threaten the peace and that violate the law in other areas besides just the three southern provinces. If this spreads widely to neighboring provinces where there are also Thai Muslims living and reaches the point where they generate hatred among Thai Buddhists in general, if the minister of interior still feels that the terrorist acts committed by

the terrorist separatists "are nothing serious," we fear that one day, Thai Buddhists will have to take up arms to defend themselves. When that happens, the situation may have become so serious that it will be difficult to stop it and there may be interference from abroad. Therefore, we ask the government to make the decision to resolutely solve these problems as quickly as possible.

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THAILAND

VIETNAMESE REFUGEES ARRIVES IN PATTANI

Bangkok DAO SIAM in Thai 12 Jul 80 pp 7, 12

[Article: A Hundred Vietnamese Refugees Arrive in Pattani"]

[Text] At 1030 hours on 6 July 1980, Police Captain Sukkit Mairieng, an inspector at the Muang district police station in Pattani Province, was informed that Vietnamese refugees were arriving by boat and that the boat had docked in the Pattani River at the end of the Detcha bridge.

After receiving this information, Police Captain Sukkit and others went to investigate the place mentioned above and found 108 Vietnamese -- 21 adult women, 20 adult men, 30 girls and 37 boys. Their leader was Captain Di Nguyen Ngoc.

Captain Di Nguyen Ngoc stated that his group had left [former] Vinh Long Province, located 126 kilometers to the south of Ho Chi Minh City. They left on 26 June 1980. When they were on the high seas, they were attacked and robbed by pirates four times.

They were attacked for the fourth time on 2 July 1980. The pirates rammed the refugees' boat, causing four people to suffer broken arms. When the pirates boarded their boat, they told the pirates that they did not have any valuables because they had already been robbed three times before. The pirates then took the motor of the boat of this group.

Because of this, the boat drifted in the ocean for 3 days and nights. During that time, they had no food or water and, therefore, they went hungry for the 3 days and nights. They then met a Thai fishing boat that was looking for fish. This boat towed them to Pattani Province.

The officials took the four injured people to the Muang district hospital in Pattani Province. Besides this, the officials took the refugees and detained them at Pakaharo village in Resaminiae commune, Muang district, Pattani Province, in order to later transfer them to the Vietnamese detention center in Songkhla Province. Approximately 50 of these Vietnamese refugees have conjunctivitis.

Captain Di Nguyen Ngoc said that in his group, there were three soldiers with the rank of captain, five with the rank of first lieutenant and two with the rank of second lieutenant and there was also one police major and one second-grade government official. The rest were civilians. They were members of the free Vietnamese group who had been harassed by the communist Vietnamese to the point where they could no longer bear it and so they found a boat and fled in order to go live in a third country.

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PROBLEMS IN SUPPRESSING SMUGGLING--The First Army Area has stated that the black market problem has had a bad effect on the health of the soldiers because they have not had time to rest. In solving the problem, [the army] does not want to take strong measures because the people involved are Thais too. Lieutenant General Pin Thammasi, the commanding general of the First Army Area gave his views about the black market problem in the Thai-Kampuchea border area, an area where smuggling is still common. He said that this is a problem that the army is very concerned about at present and the important thing is that this problem has had a bad effect on the health of the soldiers because they have not had enough time to rest and they have constantly had to follow and defend against those who are engaged in border smuggling. As for the defense measures that some people have proposed implementing resolutely, the commanding general of the First Army Area stated that, at present, the army is carrying out things more and more strictly. Things can certainly be carried out strictly and resolutely but [the army] does not yet want to do this because these are Thais too. "Capturing and killing them is too strong an action. We are not at war. This does not fit the situation. We do not want to impose martial law because this is too strong an action. We know what will happen if martial law is imposed. [Text] [Bangkok SIAM RAT in Thai 16 Jul 80 p 3] 11943

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